CCT RESOURCES

中建資源集團有限公司
CCT Resources Holdings Ltd

Annual Report 2008/2009

Stock Code : 8163

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors of CCT Resources Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") for the purpose of giving information with regard to CCT Resources Holdings Limited. The directors of CCT Resources Holdings Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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corporate information

BOARD OF DIRECTORS

Executive Directors
Mr. Mak Shiu Tong, Clement *(Chairman)*
Mr. Ma Hang Kon, Louis *(Chief Executive Officer)*
Mr. Tam Ngai Hung, Terry
Mr. Chan Hoi Tung, Tony
Ms. Cheng Yuk Ching, Flora
Dr. William Donald Putt

Independent Non-executive Directors
Mr. Lam Kin Kau, Mark
Mr. Fung Hoi Wing, Henry
Mr. Lau Ho Wai, Lucas

COMPANY SECRETARY

Mr. Lam Che Wah, Danny

COMPLIANCE OFFICER

Mr. Tam Ngai Hung, Terry

AUDIT COMMITTEE

Mr. Lam Kin Kau, Mark
Mr. Fung Hoi Wing, Henry
Mr. Lau Ho Wai, Lucas

REMUNERATION COMMITTEE

Mr. Mak Shiu Tong, Clement
Mr. Tam Ngai Hung, Terry
Mr. Lam Kin Kau, Mark
Mr. Fung Hoi Wing, Henry
Mr. Lau Ho Wai, Lucas

AUTHORISED REPRESENTATIVES

Mr. Mak Shiu Tong, Clement
Mr. Tam Ngai Hung, Terry

AUDITORS

Ernst & Young, Certified Public Accountants

PRINCIPAL BANKERS

Hang Seng Bank Limited
Nanyang Commercial Bank, Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1701, Dah Sing Financial Centre
108 Gloucester Road
Wanchai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands
British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

8163

WEBSITE

www.cct-resources.com

chairman's letter

I am pleased to report that the Company and the Group have achieved an important milestone in the year ended 31 March 2009 in transforming the business of the Group into an integrated natural resource business. In August 2008, the Group completed the acquisition of the 100% equity interest in MTG and since then the Group has entered into the upstream and downstream forestry operations. The forestry business is identified as a unique opportunity with highly favourable long-term prospect. The acquisition of the forestry business established a strong foothold of the Group in this new high growth market. We consider that the diversification into this new high growth potential business will improve the Group's earning base and asset quality.

In order to streamline its operations and focus on redirecting its resources into the more promising forestry business, the Company disposed of the loss-making B2B Business to an independent third party in September 2008 (the "Disposal"). We believe the Disposal is a sound strategic move to overhaul the corporate structure of the Group and demonstrates the Group's commitment to create value to our shareholders.

To signify the strategic business move of the Company, the Company has changed its name from "Tradeeasy Holdings Limited" to "CCT Resources Holdings Limited" and the adoption of the Chinese name "中建資源集團有限公司" to replace "易貿通集團有限公司" for identification purposes. The change of company name took effect on 22 September 2008.

The Group incurred a loss of approximately HK$47,403,000 for the year ended 31 March 2009, which is considered as a year of transformation, due mainly to the charging of the non-cash imputed interest on the liability component of the convertible bonds and the start-up loss of the forestry business since its acquisition.

OUTLOOK

The financial turmoil has adversely affected the global economy. Despite the global economic downturn, the Board is optimistic about its forestry business given the increasing price and global demand for timber and wood products. In consequence of huge demand of timber and wood products versus scarce supply, the price of timber and wood products are expected to maintain at a high level. We will dedicate more resources to the development and exploitation of the forestry business which is expected to become the major driver of growth in revenue and profitability of the Group in the future. The Board believes that the forestry business that the Group has acquired will have huge potential and good future trading prospect.

In view of the uncertain economic environment, the Group will continue to adopt measures to strengthen our financial position. Measures have been taken to control costs and capital expenditure across the forestry business and the trading business. The Board believes that the Group is heading on the right track. Leveraged on the Group's competitive strength in its chosen fields, the Group is geared to reap its greater achievement in the upcoming years.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to the shareholders, customers, suppliers, and professional advisors for their support over the past years, and to sincerely thank our management and staff for their dedication and diligence.

management discussion and analysis

REVIEW OF OPERATIONS

During the year ended 31 March 2009, the Group was principally engaged in the B2B Business until the business was disposed in September 2008. The Group continues to be engaged in the trading business and has entered into the forestry business during the year under review.

B2B Business

The global financial tsunami originated from the US has created a serious credit crunch and a sudden squeeze in global consumption. As a result, export from China has dropped significantly, adversely affecting the SME exporters in Hong Kong and the PRC. Consequently, these SME manufacturers, which are the customers and the target customers of the B2B Business, have reduced their promotional budget and expenditure in their marketing related activities. Therefore, the B2B Business suffered a significant reduction in turnover during the year under review, partly due to the extremely difficult operating environment and partly due to the disposal of the B2B Business in September 2008.

The Disposal enables the Group to eliminate the loss-making B2B Business so that the Group can focus on the trading business and the newly acquired forestry business.

Forestry Business and the Trading Business

After completion of the acquisition of the forestry business in August 2008, the Group has entered into the forestry business and will be engaged, through MTG Group in the upstream operations of logging and harvest of timber in the natural forests with total areas of approximately 313,500 hectares in Papua, Indonesia. The natural forests in Papua are tropical forests which contain a variety of species of trees which can be produced into valuable hardwood and softwood timber products. The MTG Group will also be engaged in the downstream operations of producing timber and other wood products for export out of Indonesia. For good future of people and environment, the MTG Group aims to improve the forest area by replanting oil palm trees. The fruits and seeds of palm trees can be processed to produce palm oil, a kind of biofuel. Palm oil is renewable clean energy and its demand has been increasing due to commitment of most industrialized countries to reduce green house gas emissions.

Business plans have been drawn up and implemented according to schedule to develop and establish the forestry business. Logging and sawmill equipment has been acquired and experienced staff and workers have been hired. The timber operation is expected to start operations and generate revenue to the Group in the second half of 2009.

The Group has strived to grow its trading business which shows a significant growth of turnover in the year ended 31 March 2009. The trading business reported a small loss for the year ended 31 March 2009 due to adverse business environment.

FINANCIAL REVIEW

Highlights on Financial Results

	2009 HK$'000	2008 HK$'000	% increase/ (decrease)
Continuing operations:			
– Turnover	**7,370**	2,613	182.1%
– Loss before finance costs	**(13,929)**	(726)	1,818.6%
– Finance costs	**(29,902)**	–	N/A
Loss from the continuing operations	**(43,831)**	(726)	5,937.3%
Discontinued operations:			
– Turnover	**15,302**	38,601	(60.4%)
Loss from the discontinued operations	**(3,572)**	(8,651)	(58.7%)
LOSS FOR THE YEAR	**(47,403)**	(9,377)	405.5%

Discussion on Financial Results

During the year ended 31 March 2009, the Group's continuing operations reported a significant jump in turnover by 182.1% due to the increase in turnover of the trading business. The turnover of the Group's discontinued operations, however, decreased by 60.4% due to the unsatisfactory performance of the B2B Business.

The Group incurred a loss of approximately HK$47,403,000 for the year ended 31 March 2009, as compared to a loss of approximately HK$9,377,000 for the year ended 31 March 2008. The increase in loss was mainly due to (i) charging of non-cash imputed interest of approximately HK$29,902,000 on the liability component of the zero coupon convertible bonds issued in August 2008 for the acquisition of the forestry business; (ii) inclusion of the start-up loss of the forestry business in the amount of approximately HK$12,518,000 since its acquisition; and (iii) the operating loss from the discontinued B2B Business due to the global financial crisis and the worsening operating environment. The increased loss was partly offset by the realised gain of approximately HK$3,362,000 arising from the Disposal.

Analysis by Business Segment

	Revenue (excluding other revenue)		Operating loss before finance costs and tax	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Continuing operations:				
– Trading business	**7,370**	2,613	**(160)**	(198)
– Forestry business	**–**	–	**(12,518)**	–
	7,370	2,613	**(12,678)**	(198)
Discontinued operations:				
– B2B Business	**15,302**	38,601	**(6,934)**	(8,651)
– Gain on disposal of B2B Business	**–**	–	**3,362**	–
	15,302	38,601	**(3,572)**	(8,651)

During the year ended 31 March 2009, the business segments of the Group comprise the continuing trading business and the forestry business and the discontinued B2B Business. Turnover of the Group's trading business increased by approximately 182.1% from approximately HK$2,613,000 for the financial year ended 31 March 2008 to approximately HK$7,370,000 for the financial year ended 31 March 2009 as a result of the Group's effort to grow the business. The trading business, however, incurred a small loss of HK$160,000 under a difficult business environment.

As the forestry business was still in the start-up stage, no revenue from the forestry business was recorded in the financial year ended 31 March 2009. The forestry business incurred a loss of HK$12,518,000 attributable to start-up costs and administration expenses since it acquisition.

Turnover of the Group's discontinued B2B Business decreased by approximately 60.4% from approximately HK$38,601,000 for the financial year ended 31 March 2008 to approximately HK$15,302,000 for the financial year ended 31 March 2009. The drop in turnover was caused by the global financial crisis which affected the B2B Business and the disposal of the B2B Business in September 2008. After setting off the gain on the Disposal, the operating loss of B2B Business was approximately HK$3,572,000 for the financial year ended 31 March 2009.

Analysis by Geographical Segment

	Turnover				
	2009		2008		% increase/
	Amount	Relative	Amount	Relative	(decrease)
	HK$'000	%	HK$'000	%	
Continuing operations:					
– Hong Kong	**7,370**	**100.0%**	2,613	100.0%	182.1%
	7,370	**100.0%**	2,613	100.0%	182.1%
Discontinued operations:					
– Hong Kong	**10,432**	**68.2%**	24,400	63.2%	(57.2%)
– Mainland China	**4,870**	**31.8%**	14,201	36.8%	(65.7%)
	15,302	**100.0%**	38,601	100.0%	(60.4%)

During the year ended 31 March 2009, all the turnover of the Group's continuing operations attributable to the trading business was derived from Hong Kong. On the other hand, for the year ended 31 March 2009, approximately 68.2% (2008: 63.2%) of total sales of the discontinued operations attributable to the B2B Business was derived from Hong Kong and the remaining 31.8% (2008: 36.8%) of the turnover of the B2B Business was derived from the mainland of the PRC.

Highlights on Financial Position

	As at 31 March		% increase/
	2009	2008	(decrease)
	HK$'000	HK$'000	
Property, plant and equipment	**24,055**	3,367	614.4%
Forest concessions	**833,801**	–	N/A
Deferred development expenditure	**–**	4,929	(100.0%)
Cash and cash equivalents	**145,349**	37,303	289.6%
Convertible bonds (liability portion)	**523,557**	–	N/A
Minority interests	**42,087**	(4)	N/A
Shareholders' funds	**433,868**	57,843	650.1%

Discussion on Financial Position

The book value of the property, plant and equipment increased from approximately HK$3,367,000 as at 31 March 2008 to approximately HK$24,055,000 as at 31 March 2009, attributable mainly to purchase of machineries and equipment in relation to the forestry business during the year less the disposal of the fixed assets of the discontinued B2B Business.

The forest concessions amounted to approximately HK$833,801,000 as at 31 March 2009 which represents the estimated fair value of the concessions acquired.

The deferred development expenditure as at 31 March 2008 represented the capitalised expenditure in relation to the B2B Business and was charged to the consolidated income statement of the Group during the year ended 31 March 2009 in calculating the net gain derived from the Disposal.

The cash and cash equivalents of the Group increased from approximately HK$37,303,000 as at 31 March 2008 to approximately HK$145,349,000 as at 31 March 2009. The increase was mainly due to the proceeds of HK$138,840,000 received from the subscription of the convertible bonds by Manistar, the Company's substantial shareholder less the outflows for the Group's continuing operations.

The convertible bonds of approximately HK$523,557,000 represents the liability component of the outstanding convertible bonds which had not been converted as at 31 March 2009. These convertible bonds were issued as part of the consideration to acquire the forestry business in August 2008. No such convertible bonds were issued in the last corresponding year.

The change in the Group's minority interests was due to the inclusion of the minority shareholders' interest in certain subsidiaries of the MTG Group after the completion of the acquisition of the forestry business.

The Group's shareholders' funds increased from approximately HK$57,843,000 as at 31 March 2008 to HK$433,868,000 as at 31 March 2009. The increase in the shareholders' funds was mainly due to (i) the issue of new shares of the Company upon conversion of the convertible bonds during the year ended 31 March 2009; (ii) the inclusion of the equity component of the convertible bonds as at 31 March 2009; and (iii) less the loss of the Group for the year ended 31 March 2009.

Capital Structure and Gearing Ratio

	31 March 2009		31 March 2008	
	Amount	**Relative**	Amount	Relative
	HK$'000	**%**	HK$'000	%
Convertible bonds (liability component)	**523,557**	**54.7%**	–	–
Total borrowings	**523,557**	**54.7%**	–	–
Equity	**433,868**	**45.3%**	57,843	100.0%
Total capital employed	**957,425**	**100.0%**	57,843	100.0%

The Group's gearing ratio was approximately 54.7% as at 31 March 2009 (31 March 2008: nil). The sharp increase in the gearing ratio was due to the issue to MCL of the zero coupon convertible bonds with an nominal value of HK$776,880,000 (the "MCL Convertible Bonds") as part of the consideration to acquire the forestry business through the acquisition of equity interest of MTG and the issue to Manistar of the zero coupon convertible bonds with an nominal value of HK$138,840,000 (the "Manistar Convertible Bonds") to provide funds for the development and operations of the forestry business. Manistar is a wholly-owned subsidiary of CCT Telecom, which is the Company's substantial shareholder and whose shares are listed on the Main Board of the Stock Exchange. The total amount of the liability component of the MCL Convertible Bonds and the Manistar Convertible Bonds as at the issue date of 12 August 2008 was HK$742,285,000. Both the MCL Convertible Bonds and the Manistar Convertible Bonds are interest free, have a maturity date of 12 August 2011 and are convertible into shares of the Company at the initial conversion price of HK$0.1 per share (subject to adjustment according to the terms of the convertible bonds).

During the year ended 31 March 2009, the MCL Convertible Bonds with an aggregate principal amount of HK$160,000,000 were converted into 1,600,000,000 shares of the Company. The outstanding principal amount of the MCL Convertible Bonds as at 31 March 2009 was HK$616,880,000.

During the year ended 31 March 2009, all the Manistar Convertible Bonds with an aggregate principal amount of HK$138,840,000 were fully converted into 1,388,400,000 shares of the Company. As the Manistar Convertible Bonds have been fully converted, there was no Manistar Convertible Bonds outstanding as at 31 March 2009.

As the conversion price of the MCL Convertible Bonds is still below the current market price of the Company's share, it is likely that the balance of the MCL Convertible Bonds will be converted into shares of the Company and thus relieving the obligations of the Company to repay the MCL Convertible Bonds. Other than the convertible bonds, the Group has no other borrowings.

As at 31 March 2009, the maturity profile of all the convertible bonds of the Group is falling due in the second to the fifth year. There was no material effect of seasonality on the Group's borrowing requirements.

Liquidity and Financial Resources

	31 March 2009 HK$'000	31 March 2008 HK$'000
Current assets	**149,463**	58,885
Current liabilities	**7,807**	9,752
Current ratio	**1,914.5%**	603.8%

The Group's current ratio as at 31 March 2009 was 1,914.5% (31 March 2008: 603.8%). This strong liquid position was attributable mainly to the proceeds derived from the issue of the Manistar Convertible Bonds in order to provide funds for the development and operations of the forestry business.

As at 31 March 2009, the Group's total cash balance amounted to approximately HK$145,349,000 (31 March 2008: HK$37,303,000). Almost all of the Group's cash was placed on Hong Kong dollar deposits with licensed banks in Hong Kong. The amble cash balance provided sufficient cash resources to the Group to cover all cash requirements, including working capital and capital expenditure needs.

Foreign currency exposure

The Group's reporting currency is in Hong Kong dollars. During the year ended 31 March 2009, most of the transactions, assets and liabilities of the Group were denominated in Hong Kong dollars, Renminbi, US dollars and Indonesian Rupiah. During the year ended 31 March 2009, since a substantial part of the receipts and payments of the discontinued B2B Business were denominated in Renminbi, the net Renminbi exposure of the Group was not significant. Following the Disposal, the Group's exposure to Renminbi is therefore very insignificant.

During the year ended 31 March 2009, most of the transactions of the Group's forestry business were denominated in Hong Kong dollars, Indonesian Rupiah or US dollars. As the Hong Kong dollar remains pegged to the US dollar, the exchange fluctuation of the US dollar against the Hong Kong dollar was not significant during the year ended 31 March 2009. As such, the forestry business did not have any significant exposure to foreign exchange risk during the year under review as the timber operation was still in the start-up stage.

The Board considers that the Group's exposure to foreign exchange risk is not significant at present and therefore, no hedging transaction was entered into during the year.

Contingent liabilities

As at 31 March 2009, the Group did not have any significant contingent liabilities.

Acquisition and disposal of subsidiaries and affiliated companies

Save for the acquisition of the MTG Group in August 2008 and the disposal of the B2B Business in September 2008, the Group did not acquire or dispose of any material subsidiaries and associates for the year ended 31 March 2009.

Significant investments

Save for the acquisition of the MTG Group and its forestry project, the Group did not acquire or hold any significant investment during the year ended 31 March 2009.

Pledge of assets

As at 31 March 2009, the Group did not have any pledge of assets.

Capital commitments

The outstanding capital commitments authorized but not contracted for by the Group in the accounts amounted to approximately HK$19,562,000 (31 March 2008: Nil) as at 31 March 2009, which was mainly related to capital expenditure for the forestry business of the Group and all of which will be funded by internal resources.

Employees and Remuneration Policy

As at 31 March 2009, the Group employed 124 staff (31 March 2008: 233). Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. At 31 March 2009, there were outstanding share options of approximately 68,500,000 (31 March 2008: 104,900,000).

directors and senior management

EXECUTIVE DIRECTORS

Mr. MAK Shiu Tong, Clement, aged 55, has served as the Chairman and an executive Director since April 2006. Mr. Mak is a member of the Remuneration Committee. Mr. Mak had also acted as the CEO since April 2006 until his resignation on 3 October 2008. Mr. Mak is responsible for the corporate planning and the overall strategic direction of the Group. He has over 32 years of experience in the electronics manufacturing and distribution industry, specialising in telephone and telecom products. He also has substantial experience in managing enterprises engaging in manufacturing, trading, property investment and development and diversified businesses. He holds a Diploma in Electrical Engineering. Mr. Mak is also the chairman, the chief executive officer and an executive director of CCT Telecom and CCT Tech, whose shares are both listed on the Main Board of the Stock Exchange. He is also a director of certain subsidiaries of CCT Telecom, CCT Tech and the Company.

Mr. MA Hang Kon, Louis, aged 46, has served as an executive Director and the CEO since October 2008. He is primarily responsible for the operations of the Group and the day-to-day management of the upstream and downstream forestry business which is engaged by the Company's wholly-owned subsidiary, MTG and its subsidiaries. Mr. Ma has over 24 years of working experience, mainly in the petrochemical and electronics industries in the US and in the Asia Pacific region. He is experienced in starting up operations including building an infrastructure of manufacturing facilities in the Asia Pacific, in leading mergers and acquisitions, and in rapidly growing business in new geographic locations. Mr. Ma is a member of each of The American Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Secretaries and Administrators. He was graduated from the Kellogg School of Business, Northwestern University in the US and the Hong Kong Polytechnic (the predecessor of The Hong Kong Polytechnic University). Mr. Ma has also served as the chief executive officer of MTG since October 2008. He is also a director of certain subsidiaries of the Group and a private company.

Mr. TAM Ngai Hung, Terry, aged 55, has served as an executive Director since April 2006. Mr. Tam is a member of the Remuneration Committee. Mr. Tam is mainly responsible for the corporate finance and accounting function of the Group. Mr. Tam has more than 31 years of experience in finance and accounting management, and also possesses substantial knowledge in corporate finance matters, mergers and acquisitions and company secretarial matters. Mr. Tam has substantial experience in the financial aspects of manufacturing companies and enterprises engaging in diversified businesses. Mr. Tam is a fellow of the Association of Chartered Certified Accountants and an associate of both the Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Secretaries and Administrators. Mr. Tam has previously held a number of senior positions in several listed companies. Mr. Tam is also an executive director of CCT Telecom and CCT Tech, whose shares are both listed on the Main Board of the Stock Exchange. He is also a director of certain subsidiaries of CCT Telecom, CCT Tech and the Company.

Mr. CHAN Hoi Tung, Tony, aged 38, has served as an executive Director and the chief financial officer of the Company since November 2008. He is primarily responsible for the management of day-to-day finance, accounting, budgeting and treasury functions of the Group. Mr. Chan has over 15 years of working experience, mainly in the corporate finance, investment banking areas and merger and acquisition advisory services in various reputable international financial institutions and investment banks. Mr. Chan is a Chartered Financial Analyst and is a member of each of The American Institute of Certified Public Accountants and the Institute of Management Accountants in the US. He graduated from The Chinese University of Hong Kong with a Bachelor's Degree in Business Administration and obtained a Master's Degree in Accounting Science from the University of Illinois at Urbana-Champaign in the US. Mr. Chan also served as the chief financial officer of MTG since November 2008 and is a director of certain subsidiaries of the Group.

Ms. CHENG Yuk Ching, Flora, aged 55, has served as an executive Director since April 2006. Ms. Cheng has over 29 years of experience in the electronics industry. She also has substantial experience in managing manufacturing companies and enterprises engaging in diversified businesses. She has held senior positions in various well-known electronics companies. She holds a Diploma in Business Administration. Ms. Cheng is also an executive director of CCT Telecom and CCT Tech, whose shares are both listed on the Main Board of the Stock Exchange. She is also a director of certain subsidiaries of CCT Telecom, CCT Tech and the Company.

Dr. William Donald PUTT, aged 72, has served as an executive Director since April 2006. Dr. Putt obtained his PhD in Management from the Massachusetts Institute of Technology in the US. Dr. Putt has over 36 years of experience in the telecom industry, and was the president and co-founder of TeleConcepts Corporation, which specialised in the design, production and distribution of telecom products. Dr. Putt also serves on the boards of several foundations and non-profit organisations in the US and is on the Visiting Committee for the Public Service Center at the Massachusetts Institute of Technology. Dr. Putt is also an executive director of CCT Telecom and CCT Tech, whose shares are both listed on the Main Board of the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kin Kau, Mark, aged 54, has served as an INED of the Company since April 2006 and is a member of both the Audit Committee and the Remuneration Committee. He is a fellow of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants, The institute of Chartered Accountants in England and Wales and The Institute of Chartered Secretaries and Administrators. He has been a practising accountant for over 24 years and is a director of various private companies. He is also an INED of BIG Media Group Limited, a company listed on the GEM. Mr. Lam was an INED of Haier Electronics Group Co., Ltd., a company listed on the Main Board of the Stock Exchange until his resignation on 21 June 2007.

Mr. FUNG Hoi Wing, Henry, aged 53, has served as an INED of the Company since April 2006 and is a member of both the Audit Committee and the Remuneration Committee. He is a Notary Public and Solicitor of Messrs. Fung, Wong, Ng & Lam, Solicitors and Notaries of Hong Kong. He graduated from the University of Hong Kong in 1976 with a Bachelor's degree in Social Sciences. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1981. In addition, he is a China-Appointed Attesting Officer and also admitted in England and Wales, the Australian Capital Territory and Singapore. Mr. Fung was also an INED of Haier Electronics Group Co., Ltd., a company listed on the Main Board of the Stock Exchange until his resignation on 21 June 2007.

Mr. LAU Ho Wai, Lucas, aged 47, has served as an INED of the Company since April 2006 and is a member of both the Audit Committee and the Remuneration Committee. He is a fellow of the Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. He is also a Registered Professional Surveyor and a practising chartered surveyor in Hong Kong. He has a Bachelor's degree in Land Economy, a Master's degree in Urban Design, a Bachelor's degree in Laws, a Master's degree in Laws (International Business Law) and a Master's degree of Science in Applied Accounting and Finance and has over 18 years of professional experience in the real estate and finance fields. Mr. Lau was also an INED of Haier Electronics Group Co., Ltd., a company listed on the Main Board of the Stock Exchange until his resignation on 28 July 2006.

SENIOR MANAGEMENT

Mr. Nolfo Banquirigo ANUDDIN, aged 50, currently holds the position of Field Operations Manager of an operating subsidiary in Indonesia. He is primarily responsible for the day-to-day operations in the field covering forestry production, road construction, planning, and mechanical and equipment maintenance. Mr. Anuddin graduated from the Foundation University in the Philippines with a forestry degree. He has been in the forestry business for over 30 years in various countries including Malaysia, Suriname, Guyana (South America), Amazon, Brazil and now in Indonesia.

Professor GONG Yao Qian, aged 73, currently holds the position of Chief Consultant, Forestry and Wood Processing. He is responsible for the master planning of the forestry and wood processing operations. Professor Gong graduated from the Nanjing Forestry University and taught in the same university for over 30 years. He represented the Ministry of Forestry of the PRC and various corporations in the PRC for domestic and international forestry projects covering countries including Fiji, Guyana, East Timor, Gabon, Bolivia, Japan and Indonesia.

Mr. LAM Che Wah, Danny, aged 44, has served as the Company Secretary of the Company since July 2008. Mr. Lam graduated from the Hong Kong Polytechnic (the predecessor of The Hong Kong Polytechnic University) with a Professional Diploma in Company Secretaryship and Administration in 1987. He has extensive experience in company secretarial practice. He is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

corporate governance report

CORPORATE GOVERNANCE PRACTICES

The Company has always recognised the importance of the Shareholders' transparency and accountability. It is the belief of the Board that the Shareholders can maximise their benefits from good corporate governance. The Company is committed to maintaining and ensuring high standards of corporate governance in the interests of the Shareholders.

Throughout the financial year ended 31 March 2009, the Board has reviewed the Group's corporate governance practices and is satisfied that the Company has complied with the code provisions under the Code set out in Appendix 15 to the GEM Listing Rules, except for the following deviations from the code provisions of the Code:

Code Provision A.2.1

There is no separation of the roles of chairman and chief executive officer as set out in the Code Provision A.2.1.

During the year ended 31 March 2009, Mr. Mak Shiu Tong, Clement assumed the roles of both the Chairman and the CEO until his resignation as the CEO on 3 October 2008. Mr. Mak has substantial experience that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has the appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. As at 31 March 2009, the Board was composed of six executive directors (including the Chairman) and three INEDs with a balance of skills and experience appropriate for the requirements of the Group. Furthermore, the roles of the managing director and the general managers of the Company's major operating subsidiaries are performed by other individuals. The Board believes that there was balance of power and authority in the corporate structure of the Company though there was no separation of the roles of the Chairman and the CEO before Mr. Mak Shiu Tong, Clement's resignation as the CEO on 3 October 2008.

The Board believes that the separation of the roles of the Chairman and the CEO in two persons does not have any significant improvement in the corporate performance. Nevertheless, Mr. Mak Shiu Tong, Clement resigned as the CEO on 3 October 2008 but he continues to act as the Chairman and an executive Director after his resignation as the CEO. The role of the CEO has been taken up by Mr. Ma Hang Kon, Louis who was appointed as an executive Director and the CEO on 3 October 2008. Since then, the deviation of the Code Provision A.2.1 has been rectified.

CORPORATE GOVERNANCE PRACTICES *(continued)*

Code Provision A.4.1

The Code Provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing INEDs of the Company is appointed for a specific term. However, all INEDs of the Company are subject to retirement by rotation and re-election at every AGM of the Company in accordance with the articles of association of the Company.

Code Provision A.4.2

The Code Provision A.4.2 provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In accordance with the articles of association of the Company, any Director appointed to fill a casual vacancy shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. The Board considers that such a deviation is not material as casual vacancy seldom happens and duration between appointment to fill casual vacancy and the immediate following AGM of the Company is less than one year and is considered to be short.

Pursuant to the articles of association of the Company, the Chairman and the managing Director shall not be subject to retirement by rotation or also not be taken into account in determining the number of directors to retire in each year. The Board considers that the continuity of the Chairman and his leadership will be essential for the stability of the key management of the Board. On the other hand, the Board will ensure that the Directors other than the Chairman will rotate at least once every three years in order to comply with the Code Provision A.4.2.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has not adopted a code of conduct regarding securities transactions by the Directors but has applied the principles of the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Required Standard of Dealings”). The Company has also made specific enquiry of the Directors and the Company is not aware of any non-compliance with the Required Standard of Dealings throughout the financial year ended 31 March 2009.

THE BOARD

The Board is charged with the responsibility for the promotion of the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith and in the best interests of the Company.

Matters reserved for the Board's decision include those relating to:

- the strategic direction of the Group;
- the objectives of the Group;
- monitoring the performance of the management of the Group;
- ensuring prudent and effective control measures are in place;
- material bank facilities arrangements;
- material acquisitions and disposals of assets and significant investments;
- material transactions with connected persons;
- material corporate finance transactions including placing or sale of shares or convertible bonds, corporate restructuring, take-over, including approval of the announcements and the circulars;
- reviewing and approving quarterly results, half-yearly results and annual financial statements, declaration of dividends;
- appointment, re-appointment of auditors and determination of their remuneration; and
- reviewing and determination of the terms and remuneration of the Directors.

The management of the Group was delegated the authority and responsibility by the Board for managing the businesses of the Group, with division heads responsible for different aspects of the business. The Board meets at least four times each year and meets as and when required. Appropriate and sufficient information including notices were provided to the Board's members in a timely manner. During the financial year ended 31 March 2009, the Board held 38 meetings. The attendance of the Directors at the Board's meetings (either in person or by phone) is set out as follows:

THE BOARD *(continued)*

Name of the Director		Number of attendance
Mak Shiu Tong, Clement		35/38
Tam Ngai Hung, Terry		37/38
Ma Hang Kon, Louis	*(Appointed on 3 October 2008)*	18/38
Chan Hoi Tung, Tony	*(Appointed on 13 November 2008)*	11/38
Cheng Yuk Ching, Flora		34/38
William Donald Putt		31/38
Lam Kin Kau, Mark		35/38
Fung Hoi Wing, Henry		36/38
Lau Ho Wai, Lucas		36/38

The company secretary of the Company is responsible for taking minutes of the Board's meetings and all Board's minutes are open for inspection by the Directors upon reasonable notice.

The Directors are enable, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

Appropriate insurance cover has been arranged in respect of the legal action against the Directors and the management of the Group. The Board considers that the Group has sufficient and appropriate liability insurance to cover the Directors and the management of the Group against any legal liability arising from their performance of duties.

BOARD'S COMPOSITION

During the financial year under review, Mr. Ma Hang Kon, Louis and Mr. Chan Hoi Tung, Tony, who are both subject to retirement by rotation and, be eligible for re-election at the forthcoming AGM of the Company in accordance with the articles of association of the Company, were appointed as executive Directors on 3 October 2008 and 13 November 2008 respectively.

As at the date of this Annual Report, the Board comprises six executive directors, namely Mr. Mak Shiu Tong, Clement (also acting as the Chairman), Mr. Ma Hang Kon, Louis (also acting as the CEO), Mr. Tam Ngai Hung, Terry, Mr. Chan Hoi Tung, Tony, Ms. Cheng Yuk Ching, Flora and Dr. William Donald Putt and three INEDs, namely Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas. The Board has maintained a balance of skills and experience appropriate of the requirements, promotion and development of the businesses of the Group. Its composition represents a mixture of management, technical, marketing, procurement, accounting and finance which is relevant in managing the businesses in which the Group is engaged.

The Company has received annual confirmation of independence from the three INEDs of the Company in accordance with Rule 5.09 of the GEM Listing Rules. The Board has assessed their independence and concluded that all INEDs of the Company are independent within the definition of the GEM Listing Rules.

BOARD'S COMPOSITION *(continued)*

The Company has complied with Rule 5.05 of the GEM Listing Rules relating to the appointment of a sufficient number of the INEDs and at least an INED with appropriate professional qualifications, or accounting or related financial management expertise throughout the financial year ended 31 March 2009. The Board currently comprises three INEDs, one of whom has accounting and financial expertise and brings strong independent judgement, knowledge and experience to the Board.

The Board's members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board's composition is formed to ensure strong independence exists across the Board and has met the recommended best practice under the Code for the Board to have at least one-third in number of its members comprising the INEDs. The biographies of the Directors are set out in the section headed "Directors and Senior Management" in this Annual Report, which demonstrate a diversity of skills, expertise, experience and qualifications.

THE CHAIRMAN AND THE CEO

Mr. Mak Shiu Tong, Clement assumed the roles of both the Chairman and the CEO until his resignation as the CEO on 3 October 2008. He however continues to act as the Chairman and an executive Director after his resignation as the CEO. The reasons for the deviation from the Code Provision A.2.1 under the Code are set out in the section headed "Corporate Governance Practices" above. The role of the CEO has then been taken up by Mr. Ma Hang Kon, Louis who was appointed as an executive Director and the CEO on 3 October 2008. Since then, the deviation of the Code Provision A.2.1 has been rectified. Mr. Mak is responsible for the corporate planning and the overall strategic direction of the Group, and Mr. Ma is primarily responsible for the operations of the Group and the day-to-day management of the upstream and downstream forestry business which is engaged by MTG and its subsidiaries.

RE-ELECTION AND RETIREMENT OF THE DIRECTORS

The articles of association of the Company provide that (i) each Director (except the Chairman and the managing Director) is required to retire by rotation and that one-third (or the number nearest to but not greater than one-third) of the Directors shall retire from office by rotation and be eligible for re-election at each AGM of the Company; and (ii) any Director appointed by the Board, either to fill a casual vacancy on or as an addition to the existing Board, will hold office only until the next following AGM of the Company and shall then be eligible for re-election at that meeting.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the INEDs of the Company has filed a written confirmation to the Company confirming his independence pursuant to Rule 5.09 of the GEM Listing Rules and has undertaken to inform the Stock Exchange and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this Annual Report, the Board still considers them to be independent. The INEDs of the Company are not appointed for any specific terms, but they are subject to retirement by rotation and re-election at the AGM of the Company in accordance with the articles of association of the Company.

BOARD COMMITTEES

The Board has established two committees, namely the Remuneration Committee and the Audit Committee, with clearly defined written terms of reference. The main roles and responsibilities of these two committees, including all authorities delegated to them by the Board, as set out in the terms of reference, are published on the Company's website at www.cct-resources.com. The different committees' independent views and recommendations not only ensure proper control of the Group but also the continual achievement of the high corporate governance standards expected of a listed company. The chairman of each committee reports the outcome of the committee's meetings to the Board for further discussion and approval.

Remuneration of the Directors

Pursuant to the requirements of the GEM Listing Rules, the Company has established the Remuneration Committee in 2005 with specific written terms of reference in line with the code provisions under the Code. The Remuneration Committee is mainly responsible for (i) making recommendations to the Board on the policy and structure for the remuneration of the Directors and the senior management of the Group; (ii) reviewing the remuneration package including the performance-based bonus and incentive rewards for the executive Directors and the senior management of the Group; (iii) reviewing and making recommendations to the Board the fees payable to the INEDs of the Company; and (iv) reviewing and making recommendations to the Board the compensation, if any, payable to executive Directors and senior management in connection with any loss or termination of their office or appointment.

The Remuneration Committee for the financial year ended 31 March 2009 consisted of five members comprising three INEDs, namely Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas, and two executive directors, namely Mr. Mak Shiu Tong, Clement and Mr. Tam Ngai Hung, Terry. The Remuneration Committee is chaired by one of the members who must be an INED and is subject to rotation each year. The chairman of the Remuneration Committee is elected by the members who are present at the meeting, provided that he/she must be an INED.

During the financial year ended 31 March 2009, the Remuneration Committee held three meetings at which all five members of the Remuneration Committee attended and reviewed the current framework, policies and structure for the remuneration of the Directors and the senior management of the Group and reported to the Board of their reviews with recommendations. The Remuneration Committee also reviewed the specific remuneration packages including the terms of employment, incentive rewards and performance-based bonus of the executive Directors and the senior management of the Group and the fees payable to the INEDs of the Company.

The primary objective of the Group's remuneration policy is to retain and motivate the executive Directors and the senior management of the Group by linking their rewards to the corporate and individual performance, job complexity and responsibilities, so that the interests of the executive Directors are aligned with those of the Shareholders. No Director can, however, approve his/her own remuneration.

In order to attract, retain, and motivate the executives and the employees serving for the Group, the Company has adopted the Share Option Scheme in 2002. The Share Option Scheme enables the eligible participants to obtain an ownership interest in the Company by payment of the exercise price with reference to the market price of the Share at the time of grant and thus to reward to the participants who contribute to the success of the Group's operations.

Details of the amount of the Directors' emoluments are set out in note 8 to the financial statements in this Annual Report and details of the Share Option Scheme adopted by the Company on 20 February 2002 are set out in the section headed "Report of the Directors" in this Annual Report.

BOARD COMMITTEES *(continued)*

Audit Committee

The Company has established the Audit Committee in 2001 with specific written terms of reference formulated in accordance with the requirements of the GEM Listing Rules. The primary duties of the Audit Committee are to ensure the objectivity and credibility of the Company's financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee consisted of three members comprising the three INEDs of the Company, namely Mr. Lam Kin Kau, Mark, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas throughout the financial year ended 31 March 2009. The chairman of the Audit Committee is elected by the members who are present at the meeting. All members of the Audit Committee hold the relevant industry or legal, accounting and financial experience necessary to advise on the Board's strategies and other related matters. All members of the Audit Committee have complete and unrestricted access to the external auditors and all employees of the Company.

The Audit Committee is mainly responsible for (i) reviewing the Company's quarterly results, half-yearly results and annual financial statements and making recommendations as to the approval of the Company's quarterly results, half-yearly results and annual financial statements by the Board; (ii) reviewing and making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the terms of engagement including the remuneration of the external auditors; (iii) discussing with the external auditors the nature and scope of the audit; (iv) monitoring and assessing the independence and objectivity of the external auditors and the effectiveness of the audit process in accordance with applicable standards; (v) reviewing and monitoring financial reporting and the reporting judgment contained in them; and (vi) reviewing financial and internal control (including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget), accounting policies and practices with management of the Group, internal and external auditors of the Company.

During the financial year ended 31 March 2009, the Audit Committee held five meetings. The attendance of the members of the Audit Committee at the Audit Committee's meetings (either in person or by phone) is set out as follows:

Name of the members of the Audit Committee	Number of attendance
Lam Kin Kau, Mark	5/5
Fung Hoi Wing, Henry	5/5
Lau Ho Wai, Lucas	5/5

In 2009, the members of the Audit Committee met with the Group's external auditors to discuss the annual audit plan. The meeting of the Audit Committee was attended by the members of the Audit Committee and the external auditors of the Company. The external auditors also made presentations to the Audit Committee on the findings on key issues addressed in the annual audit.

BOARD COMMITTEES *(continued)*

Audit Committee *(continued)*

For the financial year ended 31 March 2009, the Audit Committee reviewed the accounting principles and practices adopted by the Company and discussed with management of the Group the financial reporting matters. The Audit Committee also reviewed the internal control and risk management system of the Group with the internal auditors. The Audit Committee also reviewed the quarterly results for the periods ended 30 June 2008 and 31 December 2008, the half-yearly results for the period ended 30 September 2008 and the annual results for the year ended 31 March 2009 of the Company, and confirmed that the preparation of such complied with the applicable accounting principles and practices adopted by the Company, the requirements of the Stock Exchange and adequate disclosures has been made, before announcement of these results.

The Audit Committee recommended to the Board to review the re-appointment of Messrs. Ernst & Young as the Company's external auditors subject to the Shareholders' approval at the forthcoming AGM of the Company.

NOMINATION OF THE DIRECTORS

The Company has not set up the nomination committee, the establishment of which is only a recommended best practice of the Code.

The Board is empowered under the articles of association of the Company to appoint any person as a Director either to fill a casual vacancy on or as an additional member to the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications and experience relevant to the Company's businesses. It is believed that the members of the Board would collectively have the required professional knowledge and skills in discharging the Board's responsibility in identifying, recruiting and evaluating new nominees to the Board and the assessment of qualifications of nominated candidates for directorship.

During the financial year under review, Mr. Ma Hang Kon, Louis and Mr. Chan Hoi Tung, Tony were appointed as additional executive Directors to the Board, whose biographies are set out in the section headed "Directors and Senior Management" in this Annual Report.

AUDITORS' REMUNERATION

During the financial year ended 31 March 2009, the remuneration paid to the external auditors of the Company, Messrs. Ernst & Young, is set out as follows:

Services rendered	**Fees paid/payable** HK$'000
Audit services	650
Non-audit services:	
Other services	800
Total	1,450

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of such financial statements. The Directors aim to present a balanced and understandable assessment of the Group's position and prospects.

The statement of the external auditors of the Company, Messrs. Ernst & Young, with regard to their reporting responsibilities on the Company's financial statements is set out in the section headed "Independent Auditors' Report" in this Annual Report.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Board therefore continues to adopt the going concern approach in preparing the accounts.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board is entrusted with the overall responsibility for establishing and maintaining the Group's internal control system and reviewing their effectiveness. The Group's internal control system has been designed for safeguarding assets, maintaining proper accounting records and ensuring reliability of the financial information. Through the Company's internal audit team, the Board has conducted a review of the effectiveness of the internal control system of the Group which covers all material controls, including operational, financial and compliance controls and risk management functions.

The internal audit team of the Company reviews the major operational, financial and compliance controls and risk management functions of the Group on a continuing basis and aims to cover all major operations of the Group on a rotational basis. The internal audit team of the Company presents their internal audit plan annually to the Chairman for approval and they also discuss and agree their audit plan with the Audit Committee at the Audit Committee's meeting.

report of the directors

The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2009.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 22 September 2008, the name of the Company was changed from “Tradeeasy Holdings Limited” to “CCT Resources Holdings Limited”. The Chinese name of the Company adopted for identification purposes was changed from “易貿通集團有限公司” to “中建資源集團有限公司”.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. During the year, the Group disposed of the business of provision of e-commerce services, and commenced the forestry business.

RESULTS AND DIVIDENDS

The Group’s loss for the year ended 31 March 2009 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 42 to 106.

The directors do not recommend payment of any dividend for the year (2008: Nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 107. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the financial statements.

SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Details of movements in the Company's share capital, share options and convertible bonds during the year, together with the reasons therefor, are set out in notes 29, 30 and 27 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the Companies Law (Revised) of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed Shares during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 31(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2009, the Company's reserves available for distribution, calculated in accordance with the Companies Law (Revised) of the Cayman Islands, amounted to HK$285,041,000 (2008: HK$39,700,000). This included the Company's share premium account and contributed surplus amounting to HK$370,128,000 (2008: HK$93,209,000) in aggregate as at 31 March 2009, which is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for less than 30% of the total purchases for the year.

None of the directors of the Company or any of their associates or any shareholders of the Company (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or suppliers.

DIRECTORS

The Directors during the year and up to the date of this Annual Report were as follows:

Executive Directors:

Mak Shiu Tong, Clement
Tam Ngai Hung, Terry
Cheng Yuk Ching, Flora
William Donald Putt
Ma Hang Kon, Louis *(Appointed on 3 October 2008)*
Chan Hoi Tung, Tony *(Appointed on 13 November 2008)*

Independent non-executive Directors:

Lam Kin Kau, Mark
Fung Hoi Wing, Henry
Lau Ho Wai, Lucas

In accordance with articles 86(3) and 87 of the Company's articles of association, Mr. Ma Hang Kon, Louis, Mr. Chan Hoi Tung, Tony, Mr. Fung Hoi Wing, Henry and Mr. Lau Ho Wai, Lucas will retire and, being eligible, offer themselves for re-election at the forthcoming AGM of the Company.

The INEDs of the Company are not appointed for any specific terms. According to the articles of association of the Company, all Directors (except the Chairman and the managing Director) are subject to retirement by rotation and re-election at the AGM of the Company.

The Company has received from each of the INEDs of the Company an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and, as at the date of this Annual Report, still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 14 to 16 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

Each of the INEDs of the Company was appointed for a period commencing from the date of his appointment and is subject to retirement by rotation in accordance with the Company's articles of association.

Two executive Directors, namely Mr. Ma Hang Kon, Louis and Mr. Chan Hoi Tung, Tony have entered into three-year service contract with the Company commencing from 3 October 2008 and 13 November 2008 respectively. The other executive Directors have not entered into any service contract with the Company.

No Director had a service contract with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the year.

SHARE OPTION SCHEME

The Company operates the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Share Option Scheme was approved by the then sole Shareholder on 20 February 2002 by way of a written resolution. The Board may, at its discretion, offer share options to any full-time or part-time employee or director of any member of the Group, and any consultant of or adviser to any member of the Group (the "Participants") to subscribe for Shares. The Share Option Scheme became effective on 7 March 2002 and shall be valid and effective for a period of 10 years from that date, subject to early termination by the Company at a general meeting or by the Board.

The maximum number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the Shares in issue from time to time.

The maximum number of Shares available for issue under share options which may be granted under the Share Option Scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue. The maximum number of Shares issued and to be issued upon exercise of the share options granted and to be granted to each Participant (including both exercised and outstanding share options) in any 12-month period up to the date of grant must not exceed 1% of the Shares in issue at the date of grant. Any further grant of share options in excess of the above limit must be subject to the Shareholders' approval with such Participant and his/her associates (as defined in the GEM Listing Rules) abstaining from voting.

SHARE OPTION SCHEME *(continued)*

If share options are granted to a connected person (as defined in the GEM Listing Rules) or his/her associates, the granting of such share options will be subject to all the Company's INEDs' (excluding the Company's INED(s) who is/are the grantee(s)) approval; where share options are proposed to be granted to a connected person who is also a substantial Shareholder or an INED of the Company or any of their respective associates which will result in the total number of Shares issued and to be issued upon exercise of the share options granted or to be granted (including share options exercised, cancelled and outstanding) to such person under the Share Option Scheme in the past 12-month period up to and including the date of such grant: (1) exceeding 0.1% of the total issued Shares for the time being; and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5,000,000, the granting of such share options will be subject to the approval of the independent Shareholders. All connected persons will abstain from voting (except that any connected person may vote against the resolution).

Upon acceptance of the share option, the grantee shall pay HK$1 to the Company as consideration for the grant. The share option will be offered for acceptance period of 28 days (or such shorter period as the Board may from time to time determine) from the date on which the share option is granted. The exercise period of the share option granted is determinable by the Directors and commences after a certain vesting period and ends on a date which is not later than ten years from the date of the share option offer or the expiry date of the Share Option Scheme, if earlier.

The subscription price of the Share in respect of any particular share option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price shall be the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of the share option grant, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets on the five business days immediately preceding the date of the share option grant; and (iii) the nominal value of the Share.

Share options do not confer rights on the holders to dividends or to vote at Shareholders' meetings.

SHARE OPTION SCHEME *(continued)*

Details of the movements of the share options under the Share Option Scheme during the year were as follows:

Name or category of the participant	Number of share options: Outstanding as at 1 April 2008	Granted during the year	Exercised during the year	Expired during the year	Forfeited during the year	Outstanding as at 31 March 2009	Date of grant of the share options	Exercise period of the share options	Exercise price of the share options* HK$ per share
Executive Directors									
Mak Shiu Tong, Clement	45,000,000	–	(22,500,000)	–	–	22,500,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
Tam Ngai Hung, Terry	28,000,000	–	(10,000,000)	–	–	18,000,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
Cheng Yuk Ching, Flora	5,000,000	–	–	–	–	5,000,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
William Donald Putt	5,000,000	–	–	–	–	5,000,000	14/8/2006	14/8/2006 – 13/8/2011	0.038
Ma Hang Kon, Louis *(appointed on*	–	5,000,000	–	–	–	5,000,000	6/10/2008	6/4/2009 – 13/8/2011	0.195
3 October 2008)	–	5,000,000	–	–	–	5,000,000	6/10/2008	6/10/2009 – 13/8/2011	0.195
Chan Hoi Tung, Tony *(appointed on*	–	4,000,000	–	–	–	4,000,000	14/11/2008	14/5/2009 – 13/8/2011	0.116
13 November 2008)	–	4,000,000	–	–	–	4,000,000	14/11/2008	14/11/2009 – 13/8/2011	0.116
	83,000,000	18,000,000	(32,500,000)	–	–	68,500,000			
Independent non-executive Directors									
Lam Kin Kau, Mark	950,000	–	(950,000)	–	–	–	14/8/2006	14/8/2006 – 13/8/2011	0.038
Lau Ho Wai, Lucas	950,000	–	(950,000)	–	–	–	14/8/2006	14/8/2006 – 13/8/2011	0.038
	1,900,000	–	(1,900,000)	–	–	–			
Others									
In aggregate	20,000,000	–	–	(20,000,000)	–	–	22/4/2003	23/6/2003 – 22/6/2008	0.037
	20,000,000	–	–	(20,000,000)	–	–			
	104,900,000	18,000,000	(34,400,000)	(20,000,000)	–	68,500,000			

Note to the reconciliation of the share options outstanding as at 31 March 2009:

* *The exercise price of the share options is subject to adjustment in the case of capitalisation issue, rights issue, sub-division or consolidation of Shares, or other similar changes in the Company's share capital.*

SHARE OPTION SCHEME *(continued)*

The closing market price of the Shares immediately before the date of grant in relation to the share options exercisable during the period from 14 August 2006 to 13 August 2011 as quoted in the Stock Exchange's daily quotation sheets was HK$0.039.

The closing market price of the Shares immediately before the date of grant in relation to the share options exercisable during the period from 6 April 2009 to 13 August 2011 and from 6 October 2009 to 13 August 2011 as quoted in the Stock Exchange's daily quotation sheets was HK$0.185.

The closing market price of the Shares immediately before the date of grant in relation to the share options exercisable during the period from 14 May 2009 to 13 August 2011 and from 14 November 2009 to 13 August 2011 as quoted in the Stock Exchange's daily quotation sheets was HK$0.112.

The 34,400,000 share options exercised during the year resulted in the new issue of 34,400,000 Shares, new share capital of HK$344,000 and share premium of HK$963,200 (before the share issue expenses).

As at 31 March 2009, the Company had 68,500,000 share options outstanding under the Share Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 68,500,000 additional ordinary Shares, additional share capital of HK$685,000 and share premium of HK$4,112,000 (before the share issue expenses).

At the date of approval of these consolidated financial statements, no share options were exercised subsequent to the balance sheet date. The number of share options outstanding under the Share Option Scheme as at the date of approval of these consolidated financial statements was 68,500,000, which represents approximately 1.63% of the Shares in issue as at that date.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2009, the directors and the chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or Rule 5.46 of the GEM Listing Rules:

(a) Interests and short positions in the Shares and the underlying Shares of the share options of the Company as at 31 March 2009

(i) Long positions in the Shares:

Name of the Director	Number of the Shares interested and nature of interest Personal	Corporate	Total	Approximate percentage of the total issued share capital (%)
Mak Shiu Tong, Clement (Note)	19,344,000	2,031,764,070	2,051,108,070	48.80
Tam Ngai Hung, Terry	7,500,000	–	7,500,000	0.18
Fung Hoi Wing, Henry	550,000	–	550,000	0.01
Lau Ho Wai, Lucas	950,000	–	950,000	0.02
Ma Hang Kon, Louis *(appointed on 3 October 2008)*	1,180,000	–	1,180,000	0.03

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 2,031,764,070 Shares were held by Manistar (an indirect wholly-owned subsidiary of CCT Telecom). Mr. Mak Shiu Tong, Clement is deemed to be interested in such Shares under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom. The interest of Mr. Mak Shiu Tong, Clement in these Shares has also been disclosed under the section headed "Substantial Shareholders' Interests in Shares and Underlying Shares" below.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

(a) Interests and short positions in the Shares and the underlying Shares of the share options of the Company as at 31 March 2009 *(continued)*

(ii) Long positions in the underlying Shares of the share options of the Company:

Name of the Director	Date of grant of the share options	Exercise period of the share options	Exercise price per Share	Number of the share options outstanding	Number of the underlying Shares	Approximate percentage of the total issued share capital
			HK$			(%)
Mak Shiu Tong, Clement	14/8/2006	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.54
Tam Ngai Hung, Terry	14/8/2006	14/8/2006 – 13/8/2011	0.038	18,000,000	18,000,000	0.43
Cheng Yuk Ching, Flora	14/8/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.12
William Donald Putt	14/8/2006	14/8/2006 – 13/8/2011	0.038	5,000,000	5,000,000	0.12
Ma Hang Kon, Louis	6/10/2008	6/4/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.12
(appointed on	6/10/2008	6/10/2009 – 13/8/2011	0.195	5,000,000	5,000,000	0.12
3 October 2008)						
Chan Hoi Tung, Tony	14/11/2008	14/5/2009 – 13/8/2011	0.116	4,000,000	4,000,000	0.10
(appointed on	14/11/2008	14/11/2009 – 13/8/2011	0.116	4,000,000	4,000,000	0.10
13 November 2008)						

(b) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Telecom as at 31 March 2009

Long positions in the shares of CCT Telecom:

Name of the Director	Number of the shares interested and nature of interest: Personal	Family	Corporate	Total	Approximate percentage of the total issued share capital
					(%)
Mak Shiu Tong, Clement (Note 1)	715,652	–	294,775,079	295,490,731	45.11
Tam Ngai Hung, Terry	500,000	–	–	500,000	0.08
Cheng Yuk Ching, Flora (Note 2)	14,076,713	160,000	–	14,236,713	2.17
William Donald Putt	591,500	–	–	591,500	0.09

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

(b) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Telecom as at 31 March 2009 *(continued)*

Long positions in the shares of CCT Telecom: *(continued)*

Notes:

1. Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, an aggregate of 294,775,079 shares of CCT Telecom were held by Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited, all of which are corporations wholly-owned by him, his spouse and his two sons. Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Telecom under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Capital Force International Limited, New Capital Industrial Limited and Capital Winner Investments Limited.

2. Included in the shareholdings in which Ms. Cheng Yuk Ching, Flora was interested, 160,000 shares of CCT Telecom were held by the spouse of Ms. Cheng Yuk Ching, Flora, who is deemed to be interested in such shares of CCT Telecom under the provisions of Part XV of the SFO or Rule 5.46 of the GEM Listing Rules.

(c) Interests and short positions in the shares and the underlying shares of an associated corporation – CCT Tech as at 31 March 2009

Long positions in the shares of CCT Tech:

Name of the Director	Number of the shares interested and nature of interest			Approximate percentage of the total issued share capital
	Personal	Corporate	Total	(%)
Mak Shiu Tong, Clement (Note)	120,000,000	33,026,391,124	33,146,391,124	50.67
Tam Ngai Hung, Terry	20,000,000	–	20,000,000	0.03
Cheng Yuk Ching, Flora	18,000,000	–	18,000,000	0.03

Note: Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 33,026,391,124 shares of CCT Tech were held by CCT Telecom through its indirect wholly-owned subsidiaries. Mr. Mak Shiu Tong, Clement is deemed to be interested in such shares of CCT Tech under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

Save as disclosed above, as at 31 March 2009, none of the directors and the chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or Rule 5.46 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' Interests in Shares and Underlying Shares" and "Share Option Scheme" above, at no time during the year was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2009, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

(i) Long positions in the Shares as at 31 March 2009:

Name of the Shareholder	**Capacity and nature of interest**	Notes	**Number of the Shares interested**	**Approximate percentage of the total issued share capital** (%)
MCL	Directly beneficially owned		700,000,000	16.65
Merdeka Finance Group Limited	Through a controlled corporation	(1)	700,000,000	16.65
Lai Wing Hung	Directly beneficially owned and through a controlled corporation	(1) and (2)	775,000,000	18.44
Manistar	Directly beneficially owned		2,031,764,070	48.34
CCT Telecom Securities Group Limited	Through a controlled corporation	(3)	2,031,764,070	48.34
CCT Telecom	Through a controlled corporation	(3)	2,031,764,070	48.34
Mak Shiu Tong, Clement	Directly beneficially owned and through a controlled corporation	(4)	2,051,108,070	48.80

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

(i) Long positions in the Shares as at 31 March 2009: *(continued)*

Notes:

(1) The Shares were held by MCL, a subsidiary of Merdeka Finance Group Limited which is deemed to be interested in such Shares under the SFO as it is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of MCL.

(2) Included in the shareholdings in which Mr. Lai Wing Hung was interested, 700,000,000 Shares were held by MCL. Mr. Lai Wing Hung is deemed to be interested in such Shares under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Merdeka Finance Group Limited. The remaining 75,000,000 Shares were beneficially owned by Mr. Lai Wing Hung.

(3) The Shares were held by Manistar, which is wholly-owned by CCT Telecom Securities Group Limited which in turn is a wholly-owned subsidiary of CCT Telecom.

(4) Included in the shareholdings in which Mr. Mak Shiu Tong, Clement was interested, 2,031,764,070 Shares were held by Manistar. Mr. Mak Shiu Tong, Clement is deemed to be interested in such Shares under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of CCT Telecom. The remaining 19,344,000 Shares were beneficially owned by Mr. Mak Shiu Tong, Clement.

(ii) Long positions in the underlying Shares of the share options of the Company as at 31 March 2009:

Name of the holder of the share options	Date of grant of the share options	Exercise period of the share options	Exercise price per Share	Number of the share options outstanding	Number of the underlying Shares	Approximate percentage of the total issued share capital
			HK$			(%)
Mak Shiu Tong, Clement	14/8/2006	14/8/2006 – 13/8/2011	0.038	22,500,000	22,500,000	0.54

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES *(continued)*

(iii) Long positions in the underlying Shares of the convertible bonds of the Company as at 31 March 2009:

Name of the holder of the convertible bonds	Description of equity derivatives	Principal amount of the convertible bonds HK$	Number of the underlying Shares	Approximate percentage of the total issued share capital (%)
MCL	MCL Convertible Bonds (Note)	616,880,000	6,168,800,000	146.77
Merdeka Finance Group Limited	MCL Convertible Bonds (Note)	616,880,000	6,168,800,000	146.77
Lai Wing Hung	MCL Convertible Bonds (Note)	616,880,000	6,168,800,000	146.77

Note: The MCL Convertible Bonds with an outstanding principal amount of HK$616,880,000 as at 31 March 2009, were issued by the Company to MCL on 12 August 2008 following the completion of the agreement entered into amongst the Company, MCL and MTG in connection with the acquisition and subscription by the Company of the shares in MTG representing 100% shareholding in MTG on that date. The MCL Convertible Bonds, due on 12 August 2011, are interest-free and convertible into the Share (subject to conversion restrictions and conversion lock-up provisions pursuant to the MCL Convertible Bonds) at the conversion price of HK$0.10 per Share (subject to adjustments pursuant to the MCL Convertible Bonds). Merdeka Finance Group Limited is deemed to be interested in such underlying Shares under the SFO as it is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of MCL. Mr. Lai Wing Hung is deemed to be interested in such underlying Shares under the SFO as he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of Merdeka Finance Group Limited.

Save as disclosed above, as at 31 March 2009, there were no other persons who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code set out in Appendix 15 to the GEM Listing Rules throughout the financial year under review, except for the deviations from Code Provisions A.2.1, A.4.1 and A.4.2. Detailed information of such deviations and their respective considered reasons as well as other information on the corporate governance practices of the Company are set out in the section headed "Corporate Governance Report" in this Annual Report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the total issued share capital of the Company as required under the GEM Listing Rules throughout the financial year under review and up to the date of this Annual Report.

AUDITORS

The financial statements for the year ended 31 March 2009 have been audited by Messrs. Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming AGM of the Company.

ON BEHALF OF THE BOARD

Mak Shiu Tong, Clement
Chairman

Hong Kong
25 June 2009

independent auditors' report

ERNST & YOUNG
安永

To the shareholders of CCT Resources Holdings Limited
(Formerly known as Tradeeasy Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of CCT Resources Holdings Limited set out on pages 42 to 106, which comprise the consolidated and company balance sheets as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
18/F., Two International Finance Centre
8 Finance Street
Central
Hong Kong
25 June 2009

consolidated income statement

Year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
CONTINUING OPERATIONS			
REVENUE	5	**7,370**	2,613
Cost of sales		**(7,030)**	(2,080)
Gross profit		**340**	533
Other income and gains	5	**1,394**	1,807
General and administrative expenses		**(14,749)**	(3,066)
Other expenses		**(914)**	–
Finance costs	7	**(29,902)**	–
LOSS BEFORE TAX	6	**(43,831)**	(726)
Tax	10	**–**	–
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(43,831)**	(726)
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	11	**(3,572)**	(8,651)
LOSS FOR THE YEAR		**(47,403)**	(9,377)
Attributable to:			
Equity holders of the parent	12	**(47,322)**	(9,103)
Minority interests		**(81)**	(274)
		(47,403)	(9,377)
DIVIDEND	13	**–**	–
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14		
Basic			
– For loss for the year		**(HK2.3 cents)**	(HK0.9 cents)
– For loss from continuing operations		**(HK2.1 cents)**	(HK0.07 cents)
Diluted			
– For loss for the year		**N/A**	N/A
– For loss from continuing operations		**N/A**	N/A

consolidated balance sheet

31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**24,055**	3,367
Forest concessions	17	**833,801**	–
Deferred development expenditure	16	**–**	4,929
Investments in associates	19	**–**	410
Total non-current assets		**857,856**	8,706
CURRENT ASSETS			
Trade receivables	20	**834**	702
Financial assets at fair value through profit or loss	21	**–**	9,507
Prepayments, deposits and other receivables	22	**3,280**	11,318
Due from a related company	23	**–**	55
Cash and cash equivalents	24	**145,349**	37,303
Total current assets		**149,463**	58,885
CURRENT LIABILITIES			
Trade payables	25	**817**	–
Deferred service fees received in advance		**–**	3,318
Due to an associate	19	**–**	909
Other payables and accruals	26	**6,990**	5,525
Total current liabilities		**7,807**	9,752
NET CURRENT ASSETS		**141,656**	49,133
TOTAL ASSETS LESS CURRENT LIABILITIES		**999,512**	57,839
NON-CURRENT LIABILITIES			
Convertible bonds	27	**523,557**	–
Net assets		**475,955**	57,839

	Notes	2009 HK$'000	2008 HK$'000
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	29	**42,031**	11,803
Reserves	31(a)	**391,837**	46,040
		433,868	57,843
Minority interests		**42,087**	(4)
Total equity		**475,955**	57,839

Mak Shiu Tong, Clement
Chairman

Tam Ngai Hung, Terry
Director

consolidated statement of changes in equity

Year ended 31 March 2009

	Notes	Attributable to equity holders of the parent									
		Issued capital	Share premium account	Contributed surplus	Equity component of convertible bonds	Share option reserve	Exchange fluctuation reserve	Accumulated losses	Total	Minority interests	Total equity
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2007		9,720	32,634	66,710	–	2,582	(8)	(88,347)	23,291	(51)	23,240
Exchange realignment		–	–	–	–	–	177	–	177	1	178
Total income and expense recognised directly in equity		–	–	–	–	–	177	–	177	1	178
Loss for the year		–	–	–	–	–	–	(9,103)	(9,103)	(274)	(9,377)
Total income and expense for the year		–	–	–	–	–	177	(9,103)	(8,926)	(273)	(9,199)
Capital contribution by a minority shareholder		–	–	–	–	–	–	–	–	320	320
Issue of new shares upon exercise of share options	29	583	2,560	–	–	(977)	–	–	2,166	–	2,166
Issue of new shares upon placing and top-up subscription	29	1,500	41,250	–	–	–	–	–	42,750	–	42,750
Share issue expenses	29	–	(1,438)	–	–	–	–	–	(1,438)	–	(1,438)
At 31 March 2008 and 1 April 2008		11,803	75,006*	66,710*	–*	1,605*	169*	(97,450)*	57,843	(4)	57,839
Exchange realignment		–	–	–	–	–	(729)	–	(729)	–	(729)
Total income and expense recognised directly in equity		–	–	–	–	–	(729)	–	(729)	–	(729)
Loss for the year		–	–	–	–	–	–	(47,322)	(47,322)	(81)	(47,403)
Total income and expense for the year		–	–	–	–	–	(729)	(47,322)	(48,051)	(81)	(48,132)
Issue of convertible bonds		–	–	–	173,435	–	–	–	173,435	–	173,435
Issue of new shares upon conversion of convertible bonds	27	29,884	275,306	–	(56,560)	–	–	–	248,630	–	248,630
Issue of new shares upon exercise of share options	29	344	1,613	–	–	(650)	–	–	1,307	–	1,307
Equity-settled share option arrangements	30	–	–	–	–	704	–	–	704	–	704
Acquisition of subsidiaries	32	–	–	–	–	–	–	–	–	42,172	42,172
At 31 March 2009		42,031	351,925*	66,710*	116,875*	1,659*	(560)*	(144,772)*	433,868	42,087	475,955

* These reserve accounts comprise the consolidated reserves of HK$391,837,000 (2008: HK$46,040,000) in the consolidated balance sheet.

consolidated cash flow statement

Year ended 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax:			
From continuing operations		**(43,831)**	(726)
From discontinued operations		**(3,572)**	(8,651)
Adjustments for:			
Share of profits and losses of an associate	11	**(141)**	12
Finance costs	7	**29,902**	–
Interest income		**(407)**	(355)
Gains on disposals of financial assets at fair value through profit or loss	5	**–**	(997)
Fair value gains on financial assets at fair value through profit or loss	5	**–**	(433)
Gain on disposal of the discontinued operations	11	**(3,362)**	–
Depreciation	6	**1,251**	1,368
Amortisation of deferred development expenditure	6	**235**	1,461
Impairment of deferred development expenditure		**–**	1,504
Write-off of items of property, plant and equipment		**18**	385
Impairment of trade receivables	6	**–**	961
Impairment of other receivables	6	**15**	193
Equity-settled share option expenses	30	**704**	–
Forfeiture of share options granted		**–**	(65)
		(19,188)	(5,343)
(Increase)/decrease in trade receivables		**(132)**	490
(Increase)/decrease in prepayments, deposits and other receivables		**8,023**	(9,864)
(Increase)/decrease in an amount due from a related company		**55**	(30)
Increase/(decrease) in trade payables		**817**	(487)
Increase/(decrease) in deferred service fees received in advance		**413**	(605)
Increase/(decrease) in other payables and accruals		**(1,975)**	947
Increase/(decrease) in an amount due to an associate		**(909)**	517
Net cash outflow from operating activities		**(12,896)**	(14,375)

	Notes	2009 HK$'000	2008 HK$'000
Net cash outflow from operating activities		**(12,896)**	(14,375)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**407**	355
Purchase of financial assets at fair value through profit or loss		**–**	(23,360)
Proceeds from disposals of financial assets at fair value through profit or loss		**9,507**	29,000
Purchases of items of property, plant and equipment	15	**(25,090)**	(1,225)
Proceeds from disposals of items of property, plant and equipment		**–**	9
Additions to deferred development expenditure	16	**(837)**	(2,906)
Net proceeds from disposal of the discontinued operations	33	**8,886**	–
Acquisition of subsidiaries	32	**(11,309)**	–
Net cash inflow/(outflow) from investing activities		**(18,436)**	1,873
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution by a minority shareholder		**–**	320
Proceeds from issue of shares		**1,307**	44,981
Proceeds from issue of convertible bonds		**138,840**	–
Share issue expenses		**–**	(1,438)
Net cash inflow from financing activities		**140,147**	43,863
NET INCREASE IN CASH AND CASH EQUIVALENTS		**108,815**	31,361
Cash and cash equivalents at beginning of year		**37,303**	5,961
Effect of foreign exchange rate changes, net		**(769)**	(19)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**145,349**	37,303
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	24	**145,349**	37,303

balance sheet

31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
NON-CURRENT ASSETS			
Interests in subsidiaries	18	**919,472**	–
CURRENT ASSETS			
Prepayments, deposits and other receivables	22	**138**	9,488
Financial assets at fair value through profit or loss	21	**–**	9,507
Due from a related company	23	**–**	21
Cash and cash equivalents	24	**49,753**	35,111
Total current assets		**49,891**	54,127
CURRENT LIABILITIES			
Other payables and accruals	26	**200**	1,019
NET CURRENT ASSETS		**49,691**	53,108
TOTAL ASSETS LESS CURRENT LIABILITIES		**969,163**	53,108
NON-CURRENT LIABILITIES			
Convertible bonds	27	**523,557**	–
Net assets		**445,606**	53,108
EQUITY			
Issued capital	29	**42,031**	11,803
Reserves	31(b)	**403,575**	41,305
Total equity		**445,606**	53,108

Mak Shiu Tong, Clement
Chairman

Tam Ngai Hung, Terry
Director

notes to financial statements

31 March 2009

1. CORPORATE INFORMATION

The registered office of CCT Resources Holdings Limited (formerly known as "Tradeeasy Holdings Limited") (the "Company") is located at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is located at 1701, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively the "Group") were principally involved in the following activities:

- trading business
- forestry business
- the provision e-commerce services (discontinued during the year – note 11)

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2009. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instrument issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments HKFRSs for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new interpretations and amendments has had no material effect on these financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The principal effects of adopting these new interpretations and amendments to HKFRSs are as follows:

(a) Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures – Reclassification of Financial Assets*

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held for trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing in the near term, if specified criteria are met.

A debt instrument that would have met the definition of loans and receivables (if it had not been required to be classified as held for trading at initial recognition) may be classified out of the fair value through profit or loss category or (if it had not been designated as available for sale) may be classified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold it for the foreseeable future or until maturity.

In rare circumstances, financial assets that are not eligible for classification as loans and receivables may be transferred from the held-for-trading category to the available-for-sale category or to the held-to-maturity category (in the case of a debt instrument), if the financial asset is no longer held for the purpose of selling or repurchasing in the near term.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above. The amendments are effective from 1 July 2008.

As the Group has not reclassified any of its financial instruments, the amendments have had no impact on the financial position or results of operations of the Group.

2.2 IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

(b) HK(IFRIC)-Int 12 *Service Concession Arrangements*

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for the obligations undertaken and the rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has had no impact on the financial position or results of operations of the Group.

(c) HK(IFRIC)-Int 14 *HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits*, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, including situations when a minimum funding requirement exists. As the Group has no defined benefit scheme, the interpretation has had no effect on these financial statements.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*[2]
HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*[1]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*[1]
HKFRS 3 (Revised)	*Business Combinations*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*[1]
HKFRS 8	*Operating Segments*[1]
HKAS 1 (Revised)	*Presentation of Financial Statements*[1]

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKAS 23 (Revised)	*Borrowing Costs*[1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*[1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[2]
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*[5]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*[3]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*[1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*[4]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*[2]
HK(IFRIC)-Int 18	*Transfer of Assets from Customers*[2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendment to HKFRS 5 which is effective for annual periods beginning on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009

2 Effective for annual periods beginning on or after 1 July 2009

3 Effective for annual periods beginning on or after 1 July 2008

4 Effective for annual periods beginning on or after 1 October 2008

5 Effective for transfers of assets from customers received on or after 1 July 2009

* *Improvements to HKFRSs* contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 7 Amendments, HKFRS 8 and HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised), HKAS 27 (Revised) and HKAS 23 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to HKAS 7 *Statement of Cash Flows,* HKAS 12 *Income Taxes,* HKAS 21 *The Effects of Changes in Foreign Exchange Rates,* HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures.*

The Group expects to adopt HKFRS 3 (Revised) and HKAS 27 (Revised) from 1 January 2010. The changes introduced by these revised standards must be applied prospectively and will affect future acquisitions, loss of control and transactions with minority interests.

The HKFRS 7 Amendments require enhanced disclosure about fair value measurement and liquidity risk. The Group expects to adopt the HKFRS 7 Amendments from 1 April 2009.

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 April 2009.

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group expects to adopt HKAS 1 (Revised) from 1 April 2009.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. In accordance with the transitional provisions in the revised standard, the Group shall apply the revised standard on a prospective basis to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 April 2009.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the income statement in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

(b) the party is an associate;

(c) the party is a member of the key management personnel of the Group or its parent;

(d) the party is a close member of the family of any individual referred to in (a) or (c); or

(e) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20%
Plant and machinery	12.5%
Furniture and fixtures	20%
Computer and office equipment	20% to 33%
Motor vehicles	25%

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment and depreciation *(continued)*

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings under construction. It is stated at cost less any impairment losses, and is not depreciated. Cost comprises direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date. The intangible assets are amortised from the date they are available for use.

Research and development costs

All research costs are charged to the income statement as incurred.

Expenditure incurred on projects to develop new software products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible assets *(continued)*

Forest concessions

Forest concessions are stated at cost less accumulated amortisation and impairment losses.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss and loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on these financial assets are recognised in the income statement. The net fair value gain or loss recognised in the income statement does not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and option pricing models.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognised in the income statement. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

In relation to trade and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;

- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derecognition of financial assets *(continued)*

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, an amount due to an associate, and deferred service fees received in advance are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "Finance costs" in the income statement.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the balance sheet, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(i) from the sale of goods, when the significant risks and rewards of ownership have been transformed to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(ii) e-commerce service income, when the services have been rendered; and

(iii) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Deferred service fees

Deferred service fees represent e-commerce service income, which have been invoiced while the related services have not been rendered. Deferred service fees for e-commerce service are recognised evenly over the terms of the contracts and based on the percentage of completion of the services rendered, respectively.

Advertising and promotion expenses

Advertising and promotion expenses are expensed as incurred.

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes option pricing model, further details of which are given in note 30. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company ("market conditions"), if applicable.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based payment transactions *(continued)*

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has adopted the transitional provisions of HKFRS 2 in respect of equity-settled awards and has applied HKFRS 2 only to equity-settled awards granted after 7 November 2002 that had not vested by 1 January 2005 and to those granted on or after 1 January 2005.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the central pension scheme.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company’s functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain subsidiaries established in Mainland China are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and their income statements are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in a separate component of equity as the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purpose of the consolidated cash flow statement, the cash flows of subsidiaries established in Mainland China are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets

The Group has to exercise judgement in determining whether an asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

(a) the trading business segment engages in the trading of products, components and accessories;

(b) the forestry business segment engages in logging of trees, the operations of sawmills and the processing, production and export of sawn timbers , and other timber and wood products; and

(c) the provision of e-commerce services (the "B2B Business") segment comprises the provision of on-line and off-line integrated marketing solutions services, application service provider services and technical consultancy services (discontinued during the year).

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets.

4. SEGMENT INFORMATION *(continued)*

(a) Business segments

The following table presents revenue, loss and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2009 and 2008.

	Continuing operation						Discontinued operations			
	Trading business		Forestry business		Total		B2B Business		Consolidated	
	2009 HK$'000	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
Segment revenue:										
Revenue derived from external customers	**7,370**	2,613	**–**	–	**7,370**	2,613	**15,302**	38,601	**22,672**	41,214
Segment results	**(160)**	(198)	**(12,518)**	–	**(12,678)**	(198)	**(3,713)**	(8,639)	**(16,391)**	(8,837)
Interest income									**407**	355
Share of profits and losses of associate									**141**	(12)
Unallocated revenue									**932**	1,569
Unallocated expenses									**(32,492)**	(2,452)
Loss before tax									**(47,403)**	(9,377)
Tax									**–**	–
Loss for the year									**(47,403)**	(9,377)
Assets and liabilities										
Segment assets	**1,878**	243	**955,550**	–	**957,428**	243	**–**	8,755	**957,428**	8,998
Investments in associates									**–**	410
Unallocated assets									**49,891**	58,183
Total assets									**1,007,319**	67,591
Segment liabilities	**1,086**	135	**6,521**	–	**7,607**	135	**–**	3,184	**7,607**	3,319
Unallocated liabilities									**523,757**	6,433
Total liabilities									**531,364**	9,752
Other segment information:										
Capital expenditure	**–**	–	**24,652**	–	**24,652**	–	**1,275**	4,131	**25,927**	4,131
Depreciation	**–**	–	**581**	–	**581**	–	**670**	1,368	**1,251**	1,368
Amortisation of deferred development expenditure	**–**	–	**–**	–	**–**	–	**235**	1,461	**235**	1,461
Impairment of deferred development expenditure	**–**	–	**–**	–	**–**	–	**5,531**	1,504	**5,531**	1,504
Other non-cash expenses	**–**	–	**–**	–	**–**	–	**3,206**	1,539	**3,206**	1,539

4. SEGMENT INFORMATION *(continued)*

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2009 and 2008.

	Hong Kong		Mainland China		Indonesia		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:								
Revenue derived from external customers	**17,802**	27,013	**4,870**	14,201	**–**	–	**22,672**	41,214
Attributable to discontinued operations	**(10,432)**	(24,400)	**(4,870)**	(14,201)	**–**	–	**(15,302)**	(38,601)
Revenue derived from continuing operations	**7,370**	2,613	**–**	–	**–**	–	**7,370**	2,613
Other segment information:								
Segment assets	**136,260**	62,984	**727**	4,607	**870,332**	–	**1,007,319**	67,591
Capital expenditure	**2,497**	3,871	**236**	260	**23,194**	–	**25,927**	4,131

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

	Note	2009 HK$'000	2008 HK$'000
Revenue			
Sale of goods attributable to the continuing trading business		**7,370**	2,613
Rendering of services attributable to the discontinued B2B Business	11	**15,302**	38,601
		22,672	41,214
Other income			
Interest income		**407**	238
Others		**987**	139
		1,394	377
Gains			
Gains on disposal of financial assets at fair value through profit or loss		**–**	997
Fair value gains on financial assets at fair value through profit or loss		**–**	433
		–	1,430
		1,394	1,807

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):#

	Notes	2009 HK$'000	2008 HK$'000
Staff costs (including directors' remuneration (note 8)):			
Salaries and related staff costs		**20,550**	24,749
Equity-settled share option expenses		**704**	–
Pension scheme contributions		**1,099**	1,140
		22,353	25,889
Less: Amounts capitalised in deferred development expenditure		**(837)**	(2,906)
		21,516	22,983
Auditors' remuneration		**650**	700
Depreciation	15	**1,251**	1,368
Amortisation of deferred development expenditure*	16	**235**	1,461
Impairment of deferred development expenditure**	16	**5,531**	1,504
Minimum lease payments under operating leases:			
Land and buildings		**1,619**	2,382
Office equipment		**–**	223
		1,619	2,605
Loss on disposals and write-off of items of property, plant and equipment***		**3,191**	385
Impairment of trade receivables**	20	**–**	961
Impairment of other receivables****		**15**	193
Foreign exchange loss, net		**6**	20

The disclosures presented in this note included those amounts charged/(credited) in respect of discontinued operations.

* Included in "Cost of sales" on the face of the consolidated income statement.

** Included in "Loss for the year from discontinued operation" on the face of the consolidated income statement.

*** Comprising amounts included in "Other expenses" and "Loss for the year from discontinued operations" on the face of the consolidated income statement.

**** Included in "Other expenses" on the face of the consolidated income statement.

7. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Interest on convertible bonds	**29,902**	–

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2009 HK$'000	2008 HK$'000
Executive directors:		
Fees	**–**	–
Other emoluments:		
Salaries, housing allowances, other allowances and benefits in kind	**1,742**	258
Other remuneration	**1,690**	–
Pension scheme contributions	**11**	3
Equity-settled share option expenses	**704**	–
	4,147	261
Independent non-executive directors:		
Fees	**180**	180
	4,327	441

During the year ended 31 March 2009, certain directors were granted share options, in respect of their services to the Group under the Company's share option scheme, further details of which are set out in note 30 to the financial statements. The fair value of such options, which has been recognised in the income statement over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the year is included in the above directors' remuneration disclosures.

8. DIRECTORS' REMUNERATION *(continued)*

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Fees
	HK$'000
2009	
Lam Kin Kau, Mark	**60**
Fung Hoi Wing, Henry	**60**
Lau Ho Wai, Lucas	**60**
	180
2008	
Lam Kin Kau, Mark	60
Fung Hoi Wing, Henry	60
Lau Ho Wai, Lucas	60
	180

There were no other emoluments payable to the independent non-executive directors during the year (2008: Nil).

8. DIRECTORS' REMUNERATION *(continued)*

(b) Executive directors

	Salaries, housing allowances, other allowances and benefits in kind HK$'000	Other remuneration HK$'000	Pension scheme contributions HK$'000	Equity-settled share option expenses HK$'000	Total remuneration HK$'000
2009					
Mak Shiu Tong, Clement	–	700	–	–	700
Tam Ngai Hung, Terry	–	590	–	–	590
Cheung Yuk Ching, Flora	–	400	–	–	400
William Donald Putt	–	–	–	–	–
Ma Hang Kon, Louis (note 1)	1,100	–	6	520	1,626
Chan Hoi Tung, Tony (note 1)	642	–	5	184	831
	1,742	1,690	11	704	4,147
2008					
Mak Shiu Tong, Clement	–	–	–	–	–
Tam Ngai Hung, Terry	–	–	–	–	–
Cheung Yuk Ching, Flora	–	–	–	–	–
William Donald Putt	–	–	–	–	–
Yip Kwok Cheung, Danny (note 2)	258	–	3	–	261
	258	–	3	–	261

Note 1: Mr. Ma Hang Kon, Louis and Mr. Chan Hoi Tung, Tony were appointed as directors of the Company on 3 October 2008 and 13 November 2008, respectively.

Note 2: Mr. Yip Kwok Cheung, Danny resigned as a director of the Company on 25 June 2007.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2008: Nil) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2008: five) non-director, highest paid employees for the year are as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**1,426**	3,819
Pension scheme contributions	**12**	60
	1,438	3,879

The remuneration of each of the highest paid employees who are not directors of the Company for the two years ended 31 March 2009 and 2008 fell within the range from nil to HK$1,000,000.

10. TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2008: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

10. TAX *(continued)*

A reconciliation of the tax expense applicable to loss before tax using the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Group – 2009

	Indonesia		Hong Kong		Mainland China		Total	
	HK$'000	%	HK$'000	%	HK$'000	%	HK$'000	%
Loss before tax (including loss from discontinued operations)	(5,895)		(35,947)		(5,561)		(47,403)	
Tax at the applicable tax rate	(1,651)	28.0	(5,931)	16.5	(1,390)	25.0	(8,972)	18.9
Income not subject to tax	(47)	0.8	(41)	0.1	–	–	(88)	0.2
Expenses not deductible for tax	–	–	5,050	(14.0)	–	–	5,050	(10.7)
Tax losses not recognised	1,698	(28.8)	922	(2.6)	1,390	(25.0)	4,010	(8.4)
Tax charge at the Group's effective rate	–	–	–	–	–	–	–	–

Group – 2008

	Hong Kong		Mainland China		Total	
	HK$'000	%	HK$'000	%	HK$'000	%
Loss before tax (including loss from discontinued operations)	(5,251)		(4,126)		(9,377)	
Tax at the applicable tax rate	(919)	17.5	(1,279)	31.0	(2,198)	23.4
Lower tax rate for specific provinces or local authority	–	–	89	(2.2)	89	(0.9)
Income not subject to tax	(58)	1.1	–	–	(58)	0.6
Expenses not deductible for tax	106	(2.0)	–	–	106	(1.2)
Temporary differences not recognised	22	(0.4)	–	–	22	(0.2)
Tax losses not recognised	849	(16.2)	1,190	(28.8)	2,039	(21.7)
Tax charge at the Group's effective rate	–	–	–	–	–	–

11. DISCONTINUED OPERATIONS

On 8 August 2008, the Company entered into a conditional sale and purchase agreement with an independent third party for the sale of B2B Business which includes the provision of on-line and off-line integrated marketing solutions services, application service provider services and technical consultancy services at a total consideration of approximately HK$12,000,000 (the "Disposal"). The consideration was satisfied by way of cash.

The Disposal was completed on 23 September 2008. Thereafter, the Group discontinued its B2B Business.

The results of the B2B Business for the year are presented below:

	2009 HK$'000	2008 HK$'000
Revenue	**15,302**	38,601
Cost of sales	**(10,687)**	(25,594)
Gross profit	**4,615**	13,007
Other income and gains	**243**	117
Selling and distribution costs	**(1,443)**	(3,070)
General and administrative expenses	**(8,096)**	(12,357)
Advertising and promotion expenses	**(1,708)**	(3,293)
Other expenses	**(686)**	(3,043)
Share of profits and losses of an associate	**141**	(12)
Loss before tax from the discontinued operations	**(6,934)**	(8,651)
Tax	**–**	–
Loss for the year from the discontinued operations	**(6,934)**	(8,651)
Gain on disposal of the discontinued operations	**3,362**	–
	(3,572)	(8,651)

11. DISCONTINUED OPERATIONS *(continued)*

The net cash flows incurred by the discontinued operations are as follows:

	2009 HK$'000	2008 HK$'000
Operating activities	**(7,993)**	(2,356)
Investing activities	**(37)**	(4,131)
Financing activities	**7,999**	4,792
Net cash outflow	**(31)**	(1,695)
Loss per share:		
Basic, from the discontinued operations	**(HK0.18 cents)**	(HK0.78 cents)
Diluted, from the discontinued operations	**N/A**	N/A

The calculations of basic loss per share from the discontinued operations are based on:

	2009 HK$'000	2008 HK$'000
Loss		
Loss attributable to ordinary equity holders of the parent from the discontinued operations	**(3,572)**	(8,377)

	Number of Shares	
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**2,037,203,795**	1,069,319,000

Diluted loss per share amounts for the discontinued operations for the years ended 31 March 2009 and 2008 have not been disclosed, as the convertible bonds and share options outstanding during these years had an anti-dilutive effect on the basic loss per share amounts for these years.

The following information is provided on the financial assets and financial liabilities of the discontinued operations as at the balance sheet date:

The aged analysis of the discontinued operations' trade receivables based on the invoice date is provided in note 20 to the financial statements. They were neither past due nor impaired and related to the customers for whom there was no recent history of default.

The financial liabilities of the discontinued operations are due within one year.

12. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The consolidated loss attributable to equity holders of the parent for the year ended 31 March 2009 includes a loss of HK$31,578,000 (2008: HK$13,442,000) which has been dealt with in the financial statements of the Company (note 31(b)).

13. DIVIDEND

No dividend has been paid or declared by the Company during the year (2008: Nil).

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

The calculation of basic loss per share is based on:

	2009 **HK$'000**	2008 HK$'000
Loss		
Loss attributable to ordinary equity holders of the parent:		
From continuing operations	**(43,750)**	(726)
From discontinued operations	**(3,572)**	(8,377)
	(47,322)	(9,103)

	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the year	**2,037,203,795**	1,069,319,000

Diluted loss per share amounts for the years ended 31 March 2009 and 2008 have not been disclosed, as the convertible bonds and share options outstanding during these years had an anti-dilutive effect on the basic loss per share amounts for these years.

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Construction in progress HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Computer and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 March 2009							
At 31 March 2008 and at 1 April 2008:							
Cost	–	2,571	–	1,344	16,705	–	20,620
Accumulated depreciation	–	(1,085)	–	(1,042)	(15,126)	–	(17,253)
Net carrying amount	–	1,486	–	302	1,579	–	3,367
At 1 April 2008, net of accumulated depreciation	–	1,486	–	302	1,579	–	3,367
Additions	1,547	1,370	20,687	25	576	885	25,090
Disposals and write-off	–	(1,627)	–	(284)	(1,280)	–	(3,191)
Depreciation provided during the year	–	(423)	(194)	(49)	(487)	(98)	(1,251)
Exchange realignment	–	19	–	6	15	–	40
At 31 March 2009, net of accumulated depreciation	1,547	825	20,493	–	403	787	24,055
At 31 March 2009:							
Cost	1,547	1,020	20,687	–	497	885	24,636
Accumulated depreciation	–	(195)	(194)	–	(94)	(98)	(581)
Net carrying amount	1,547	825	20,493	–	403	787	24,055

15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Group

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Computer and office equipment HK$'000	Total HK$'000
31 March 2008				
At 31 March 2007 and at 1 April 2007:				
Cost	3,034	1,459	17,115	21,608
Accumulated depreciation	(1,537)	(1,132)	(15,218)	(17,887)
Net carrying amount	1,497	327	1,897	3,721
At 1 April 2007, net of accumulated depreciation	1,497	327	1,897	3,721
Additions	764	73	388	1,225
Disposals and write-off	(355)	(27)	(12)	(394)
Depreciation provided during the year	(500)	(94)	(774)	(1,368)
Exchange realignment	80	23	80	183
At 31 March 2008, net of accumulated depreciation	1,486	302	1,579	3,367
At 31 March 2008:				
Cost	2,571	1,344	16,705	20,620
Accumulated depreciation	(1,085)	(1,042)	(15,126)	(17,253)
Net carrying amount	1,486	302	1,579	3,367

16. DEFERRED DEVELOPMENT EXPENDITURE

	Group HK$'000
31 March 2009	
Cost at 1 April 2008, net of accumulated amortisation and impairment	**4,929**
Additions – internal development	**837**
Amortisation provided during the year	**(235)**
Impairment during the year	**(5,531)**
At 31 March 2009	**–**
At 31 March 2009:	
Cost	**–**
Accumulated amortisation and impairment	**–**
Net carrying amount	**–**
31 March 2008	
Cost at 1 April 2007, net of accumulated amortisation and impairment	4,974
Additions – internal development	2,906
Amortisation provided during the year	(1,461)
Impairment during the year	(1,504)
Exchange realignment	14
At 31 March 2008	4,929
At 31 March 2008:	
Cost	14,031
Accumulated amortisation and impairment	(9,102)
Net carrying amount	4,929

During the year, in view of the discontinuance of the B2B Business, the directors considered that the carrying values of the deferred development expenditure are irrecoverable and therefore recognised impairment losses of approximately HK$5,531,000 (2008: HK$1,504,000).

17. FOREST CONCESSIONS

The Group acquired certain forest concession licenses in the Papua Province of Indonesia through acquisitions of subsidiaries, which provides the Group with the right to exploit and harvest trees in 313,500 hectares of forest area.

The Group has not commenced the operations of the forestry business. Accordingly, there was no amortisation of the forest concessions for the year.

18. INTERESTS IN SUBSIDIARIES

	Company	
	2009	2008
	HK$'000	HK$'000
Unlisted shares, at cost	**938,602**	18,500
Due from subsidiaries	**24,607**	25,237
	963,209	43,737
Impairment	**(43,737)**	(43,737)
	919,472	–

The balances with the subsidiaries included in the interests in subsidiaries above are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts due from subsidiaries approximate to their fair values.

An impairment was recognised for certain unlisted investments and balances due from subsidiaries, with a carrying amount of HK$43,737,000 (2008: HK$43,737,000) because the recoverable amount determined based on the value in use of these subsidiaries, which were loss-making in prior years, is less than the carrying amount.

18. INTERESTS IN SUBSIDIARIES *(continued)*

Particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Datawin Limited	Hong Kong	HK$100,000 Ordinary	–	100	Provision of integrated marketing solution and ASP services
Tradeeasy Information Technology (Guangzhou) Limited ("Tradeeasy Guangzhou") (Note 1)*	The People's Republic of China ("PRC")	USD300,000	–	100	Provision of technical consultancy services
Tradeeasy Information Technology (Beijing) Limited ("Tradeeasy Beijing") (Note 2)*	PRC	USD300,000	–	100	Provision of technical consultancy services
Source Easy Limited	Hong Kong	HK$10,000 Ordinary	–	100	Provision of sourcing service and trading
Tradeeasy Howv Technology Company Limited ("Howv") (Note 1)*	PRC	USD100,000	–	55	Provision of technical consultancy services
Merdeka Timber Group Ltd. ("MTG")#	British Virgin Islands/ Hong Kong	USD12,000	100	–	Investment holding

18. INTERESTS IN SUBSIDIARIES *(continued)*

Name	Place of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
PT Merdeka Tapare Timber ("PTMTT")*#	Indonesia	USD500,000	–	65	Timber and forestry business
PT Merdeka Plantation Indonesia ("PTMPI")#	Indonesia	USD5,000,000	–	95	Timber and forestry business
Merdeka Timber Trading Limited ("MTT")	Hong Kong	HK$100	–	100	Timber trading

* Not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network.

\# Acquired by the Group during the year. Further details of acquisition are included in note 32 to the financial statements.

Note 1: Tradeeasy Guangzhou and Howv are Sino-foreign co-operative joint venture companies established in the PRC for periods of 15 years and 30 years commencing from 26 June 2000 and 1 November 2006, respectively.

Note 2: Tradeeasy Beijing is a wholly-foreign-owned enterprise with an operating period of 20 years commencing from 21 June 2000.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

19. INVESTMENTS IN ASSOCIATES

	Group 2009 HK$'000	2008 HK$'000
Share of net assets	–	410

The amount due to an associate included in the Group's current liabilities of HK$909,000 as at 31 March 2008 was unsecured, interest-free and repayable on demand or within one year.

19. INVESTMENTS IN ASSOCIATES *(continued)*

Particulars of the principal associate are as follows:

Name	Particulars of issued shares held	Place of incorporation and operations	Percentage of ownership interest attributable to the Group	Principal activity
Optimus China Limited	Ordinary shares of HK$1 each	Hong Kong	23	Provision of search engine services

The above principal associate was not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network.

The above table lists the associate of the Group which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the Directors, result in particulars of excessive length.

The following table illustrates the summarised financial information of the Group's associates extracted from their management accounts in 2008:

	2008 HK$'000
Assets	1,563
Liabilities	1,308
Revenue	1,473
Loss	(50)

20. TRADE RECEIVABLES

	Group	
	2009	2008
	HK$'000	HK$'000
Trade receivables	**834**	3,555
Impairment	**–**	(2,853)
	834	702

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date and net of impairment, is as follows:

	Group			
	2009		2008	
	Balance	**Percentage**	Balance	Percentage
	HK$'000		HK$'000	
Current to 30 days	**834**	**100**	166	24
31 to 60 days	**–**	**–**	98	14
61 to 90 days	**–**	**–**	185	26
Over 90 days	**–**	**–**	253	36
	834	**100**	702	100

20. TRADE RECEIVABLES *(continued)*

The movement in the provision for impairment of trade receivables is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
At beginning of year	**2,853**	1,892
Impairment losses recognised (note 6)	**–**	961
Amount written off	**(2,853)**	–
At end of year	**–**	2,853

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
Neither past due nor impaired	**834**	275
Less than one year past due	**–**	427
	834	702

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2009	2008
	HK$'000	HK$'000
Equity-linked deposits, at fair value	**–**	9,507

The above equity-linked deposits at 31 March 2008 were classified as held for trading.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Prepayments	**229**	433	**113**	2,169
Deposits and other receivables	**3,051**	10,885	**25**	7,319
	3,280	11,318	**138**	9,488

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

23. DUE FROM A RELATED COMPANY

The Group's and Company's amount due from a related company were unsecured, interest-free and repayable on demand.

24. CASH AND CASH EQUIVALENTS

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash and bank balances	**32,135**	37,303	**6,745**	35,111
Time deposits	**113,214**	–	**43,008**	–
	145,349	37,303	**49,753**	35,111

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$522,000 (2008: HK$1,402,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one to two weeks depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

25. TRADE PAYABLES

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	Group			
	2009		2008	
	Balance HK$'000	**Percentage**	Balance HK$'000	Percentage
Current to 30 days	**817**	**100**	–	–

The trade payables are non-interest-bearing and are normally settled on credit terms of 30 days.

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009 HK$'000	2008 HK$'000	**2009 HK$'000**	2008 HK$'000
Other payables	**5,848**	1,502	**–**	–
Accruals	**1,142**	4,023	**200**	1,019
	6,990	5,525	**200**	1,019

Other payables are non-interest-bearing and have an average term of three months.

27. CONVERTIBLE BONDS

(a) On 12 August 2008, the Company issued convertible bonds to Merdeka Commodities Limited ("MCL") with an aggregate nominal value of approximately HK$776,880,000 (the "MCL Convertible Bonds") as part of the consideration for the acquisition of forest concessions in Indonesia.

Subject to the restrictions specified below, the MCL Convertible Bonds were convertible at the option of the bondholders into ordinary shares in the Company at the initial conversion price of HK$0.1 per share (subject to adjustment as provided in the terms and conditions of the MCL Convertible Bonds) at any time from the date of issue and ending on the fifth business day before the third anniversary of the date of issue:

- The bondholders do not have the right to convert any principal amount of the MCL Convertible Bonds into new shares of the Company thereof, if upon such conversion, MCL and the parties acting in concert with it will be interested in 30% (or such amount as may from time to time be specified in the Codes on Takeovers and Mergers and Share Repurchases as being the level for triggering a mandatory general offer) or more of the enlarged issued share capital of the Company at the date of relevant conversion.

27. CONVERTIBLE BONDS *(continued)*

(a) *(continued)*

- The conversion of the MCL Convertible Bonds shall not cause the Company to be in breach of the minimum public float requirement as stipulated under Rule 11.23 of the GEM Listing Rules; and

- The bondholders do not have the right to convert any MCL Convertible Bonds with the principal amount falling between the range of HK$350,000,000 to HK$776,880,000 at any time during the period from the issue date up to and inclusive of the date that falls on the first anniversary of the issue date.

The MCL Convertible Bonds were unsecured, interest-free and had a maturity date of 12 August 2011. Unless converted into the shares of the Company or early repaid by the Company, the outstanding balance of the MCL Convertible Bonds would be redeemed in full on maturity.

During the year, the MCL Convertible Bonds with an aggregate principal amount of approximately HK$160,000,000 were converted into 1,600,000,000 shares in the Company of HK$0.01 each (note 29). The outstanding principal amount of the MCL Convertible Bonds as at 31 March 2009 was HK$616,880,000.

(b) On 12 August 2008, the Company issued convertible bonds with an aggregate nominal value of approximately HK$138,840,000 (the "Manistar Convertible Bonds") for cash to provide funds for the development and operations of the forestry business.

The Manistar Convertible Bonds were convertible at the option of the bondholders into ordinary shares in the Company at the initial conversion price of HK$0.1 per share (subject to adjustment as provided in the terms and conditions of the Manistar Convertible Bonds) at any time from the date of issue and ending on the fifth business day before the third anniversary of the date of issue. The Manistar Convertible Bonds were unsecured, interest-free and had a maturity date of 12 August 2011. Unless converted into the shares of the Company or early repaid by the Company, the outstanding balance of the Manistar Convertible Bonds would be redeemed in full on maturity.

During the year, the Manistar Convertible Bonds with an aggregate principal amount of approximately HK$138,840,000 were fully converted into 1,388,400,000 shares in the Company of HK$0.01 each (note 29). There was no Manistar Convertible Bonds outstanding as at 31 March 2009.

27. CONVERTIBLE BONDS *(continued)*

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bonds issued during the year have been split as to the liability and equity components as follows:

	2009 **HK$'000**
Nominal value of convertible bonds issued during the year	**915,720**
Equity component	**(173,435)**
Liability component at the issuance date	**742,285**
Interest expense	**29,902**
Conversion during the year	**(248,630)**
Liability component at 31 March	**523,557**

28. DEFERRED TAX

The Group has tax losses arising in Hong Kong of HK$45,926,000 (2008: HK$47,434,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

29. SHARE CAPITAL

Shares

	Group	
	2009 **HK$'000**	2008 HK$'000
Authorised:		
20,000,000,000 ordinary shares of HK$0.01 each	**200,000**	200,000
Issued and fully paid:		
4,203,149,000 (2008: 1,180,349,000) ordinary shares of HK$0.01 each	**42,031**	11,803

29. SHARE CAPITAL *(continued)*

Shares *(continued)*

During the year, the movements in share capital were as follows:

(a) The MCL Convertible Bonds with a nominal value of HK$160,000,000 were converted into 1,600,000,000 shares in the Company of HK$0.01 each at a conversion price of HK$0.1 per share.

(b) The Manistar Convertible Bonds with a nominal value of HK$138,840,000 were converted into 1,388,400,000 shares in the Company of HK$0.01 each at a conversion price of HK$0.1 per share.

(c) The subscription rights attaching to 34,400,000 share options were exercised at the weighted average subscription price of HK$0.038 per share (note 30), resulting in the issue of 34,400,000 shares of HK$0.01 each for a total cash consideration of HK$1,307,000.

Further details relating to the MCL Convertible Bonds and the Manistar Convertible Bonds are set out in note 27 to the financial statements.

A summary of the transactions during the year with reference to the above movements in the Company's issued ordinary share capital is as follows:

	Number of shares in issue	Issued share capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 April 2007	972,000,000	9,720	32,634	42,354
Share subscription	150,000,000	1,500	41,250	42,750
Share options exercised	58,349,000	583	2,560	3,143
	208,349,000	2,083	43,810	45,893
Share issue expenses	–	–	(1,438)	(1,438)
At 31 March 2008 and 1 April 2008	1,180,349,000	11,803	75,006	86,809
Issue of new shares upon conversion of convertible bonds (note 27)	2,988,400,000	29,884	275,306	305,190
Share options exercised	34,400,000	344	1,613	1,957
	3,022,800,000	30,228	276,919	307,147
At 31 March 2009	4,203,149,000	42,031	351,925	393,956

Share options

Details of the Company's share option scheme are included in note 30 to the financial statements.

30. **SHARE OPTION SCHEME**

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group. The Share Option Scheme was approved by the then sole shareholder of the Company on 20 February 2002 by way of a written resolution. The board of directors of the Company (the "Board") may, at their discretion, offer options to any full-time or part-time employee or director of any member of the Group, and any consultant of or adviser to any member of the Group (the "Participants") to subscribe for shares of the Company (the "Shares"). The Share Option Scheme became effective on 7 March 2002 and shall be valid and effective for a period of 10 years from that date, subject to early termination by the Company in a general meeting or by the Board.

The maximum number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the Shares in issue from time to time.

The maximum number of Shares available for issue under share options which may be granted under the Share Option Scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue. The maximum number of Shares issued and to be issued upon exercise of the share options granted and to be granted to each Participant (including both exercised and outstanding share options) in any 12-month period up to the date of grant must not exceed 1% of the Shares in issue at the date of grant. Any further grant of share options in excess of the above limit must be subject to shareholders' approval with such Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting.

If share options are granted to a connected person (as defined in the GEM Listing Rules) or his associates, the granting of such share options will be subject to approval of all independent non-executive directors ("INEDs") (excluding INED who is a grantee); where options are proposed to be granted to a connected person who is also a substantial shareholder or an INED of the Company or any of their respective associates which will result in the total number of Shares issued and to be issued upon exercise of the share options granted or to be granted (including share options exercised, cancelled and outstanding) to such person under the Share Option Scheme in the past 12-month period up to and including the date of such grant: (1) exceeding 0.1% of the total issued Shares for the time being; and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5,000,000, the granting of such options will be subject to approval of the independent shareholders of the Company. All connected persons will abstain from voting (except any connected person that may vote against the resolution).

Upon acceptance of the share option, the grantee shall pay HK$1 to the Company as consideration for the grant. The share option will be offered for acceptance for a period of 28 days (or such shorter period as the Board may from time to time determine) from the date on which the share option is granted. The exercise period of the share options granted is determinable by the Directors and commences after a certain vesting period, if any, as determined by the Directors and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the Share Option Scheme, if earlier.

30. SHARE OPTION SCHEME *(continued)*

The subscription price of the share in respect of any particular share option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price shall be the highest of: (i) the closing price of the Shares as stated in The Stock Exchange of Hong Kong Limited's (the "Stock Exchange") daily quotation sheet on the date of the grant of the share option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets on the five business days immediately preceding the date of the grant of the share option; and (iii) the nominal value of the Share.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Share Option Scheme during the year:

	2009		2008	
	Weighted average exercise price HK$ per share	**Number of options '000**	Weighted average exercise price HK$ per share	Number of options '000
At beginning of year	**0.038**	**104,900**	0.038	164,577
Granted during the year	**0.160**	**18,000**	–	–
Forfeited/expired during the year	**0.037**	**(20,000)**	0.039	(1,328)
Exercised during the year	**0.038**	**(34,400)**	0.038	(58,349)
At end of year	**0.070**	**68,500**	0.038	104,900

The weighted average share price at the date of exercise for share options exercised during the year was HK$0.28 (2008: HK$0.18).

30. SHARE OPTION SCHEME *(continued)*

The exercise prices and exercise periods of the share options outstanding as at that balance sheet date are as follows:

2009

Number of options '000	Exercise price* HK$ per share	Exercise period
50,500	**0.038**	**14 Aug 2006 to 13 Aug 2011**
5,000	**0.195**	**6 Apr 2009 to 13 Aug 2011**
5,000	**0.195**	**6 Oct 2009 to 13 Aug 2011**
4,000	**0.116**	**14 May 2009 to 13 Aug 2011**
4,000	**0.116**	**14 Nov 2009 to 13 Aug 2011**
68,500		

2008

Number of options '000	Exercise price* HK$ per share	Exercise period
84,900	0.038	14 Aug 2006 to 13 Aug 2011
20,000	0.037	23 Jun 2003 to 22 Jun 2008
104,900		

* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

The fair value of the share options granted during the year was HK$1,054,000 (2008: Nil) of which the Group recognised a share option expense of HK$704,000 (2008: Nil) during the year.

30. SHARE OPTION SCHEME *(continued)*

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2009
Dividend yield (%)	–
Expected volatility (%)	75 – 78
Historical volatility (%)	75 – 78
Risk-free interest rate (%)	0.7 – 1.4
Expected life of options (year)	1.6 – 1.9
Closing share price at grant date (HK$)	0.109 – 0.188

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

The 34,400,000 share options exercised during the year resulted in the new issue of 34,400,000 ordinary shares in the Company and new share capital of approximately HK$344,000 and share premium of approximately HK$963,200 (before issue expenses), as further detailed in note 29 to the financial statements.

At the balance sheet date, the Company had 68,500,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 68,500,000 additional ordinary shares in the Company and additional share capital of HK$685,000 and share premium of approximately HK$4,112,000 (before issue expenses).

At the date of approval of these financial statements, the number of share options outstanding under the Share Option Scheme was 68,500,000, which represented approximately 1.63% of the Company's shares in issue as at that date.

31. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 45 of the financial statements.

The Group's contributed surplus represents the difference between the nominal value of the shares and the share premium accounts of the subsidiaries acquired in prior years, over the nominal value of the Company's shares issued in exchange therefore.

(b) Company

	Share premium account HK$'000	Contributed surplus HK$'000	Equity component of convertible bonds HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2007	32,634	18,203	–	2,582	(40,067)	13,352
Issue of new shares upon exercise of share options	2,560	–	–	(977)	–	1,583
Issue of new shares upon placing and top-up subscription	41,250	–	–	–	–	41,250
Share issue expenses	(1,438)	–	–	–	–	(1,438)
Loss for the year	–	–	–	–	(13,442)	(13,442)
At 31 March 2008 and 1 April 2008	75,006	18,203	–	1,605	(53,509)	41,305
Issue of convertible bonds	–	–	173,435	–	–	173,435
Issue of new shares upon exercise of share options	1,613	–	–	(650)	–	963
Issue of new shares upon issue of convertible bonds	275,306	–	(56,560)	–	–	218,746
Equity-settled share option arrangements	–	–	–	704	–	704
Loss for the year	–	–	–	–	(31,578)	(31,578)
At 31 March 2009	351,925	18,203	116,875	1,659	(85,087)	403,575

The Company's contributed surplus represents the excess of the fair value of the shares of a subsidiary acquired in prior years, over the nominal value of the Company's shares issued in exchange therefor.

31. RESERVES *(continued)*

(b) Company *(continued)*

Under the Companies Law (Revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

32. BUSINESS COMBINATION

On 12 August 2008, the Group acquired a 100% equity interest in MTG and its subsidiaries ("the MTG Group"). The MTG Group is principally engaged in upstream and downstream forestry operations in natural forest concession. The purchase consideration for the acquisition was satisfied by cash of HK$7,800,000 paid at the acquisition date and the remaining HK$776,880,000 by issuance of the MCL Convertible Bonds.

	Fair value recognised on acquisition HK$'000	**Previous carrying amount** HK$'000
Intangible assets	833,801	–
Other payables and accruals	(3,440)	(3,440)
	830,361	(3,440)
Minority interests	(42,172)	
	788,189	
Satisfied by:		
Cash	7,800	
Incidental costs	3,509	
MCL Convertible Bonds	776,880	
	788,189	

32. BUSINESS COMBINATION *(continued)*

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries is as follows:

	HK$'000
Cash paid	(11,309)
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	(11,309)

Since its acquisition, the MTG Group contributed loss of HK$12,518,000 to the consolidated loss for the year ended 31 March 2009.

Had the combination taken place at 1 April 2008, the consolidated loss of the Group for the year would have been approximately HK$51,345,000 and there would be no impact to the revenue from continuing operations of the Group for the year of HK$7,370,000.

33. NOTE TO CASH FLOW STATEMENT

An analysis of the net cash flow in respect of the disposal of the discontinued operations is as follows:

	2009 HK$'000
Net assets disposed of/written off:	
Property, plant and equipment	**3,173**
Interest in an associate	**551**
Deferred development costs	**5,531**
Deferred service fees received in advance	**(3,731)**
	5,524
Gain on disposal of the discontinued operations	**3,362**
	8,886
Represented by:	
Cash consideration received	**12,000**
Expenses incurred in connection with the Disposal	**(3,114)**
Net inflow of cash and cash equivalents in respect of the Disposal	**8,886**

34. CONTINGENT LIABILITIES

As at 31 March 2009, a guarantee of HK$5,000,000 was given by the Company to a bank in connection with banking facilities granted to a subsidiary. As at 31 March 2009, the banking facilities guaranteed by the Company to the subsidiary remained unutilised.

35. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years.

At 31 March 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
Within one year	**1,849**	2,100
In the second to fifth years, inclusive	**1,772**	3,046
	3,621	5,146

36. COMMITMENTS

In addition to operating lease commitments detailed in note 35 above, the Group had the following capital commitments at the balance sheet date:

	Group	
	2009	2008
	HK$'000	HK$'000
Authorised, but not contracted for purchases of plant and machinery	**19,562**	–

37. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with a related party during the year:

	Group	
	2009	2008
	HK$'000	HK$'000
Service charges paid to an associate	**842**	1,454

The service charges were determined at rates mutually agreed between the Group and the associate.

(b) Outstanding balances with related parties

Details of the Group's amount due to the associate and amount due from a related company as at the balance sheet date are included in notes 19 and 23 to the financial statements, respectively.

(c) Compensation of key management personnel of the Group

	2009	2008
	HK$'000	HK$'000
Short term employee benefits	**3,435**	3,805
Post-employment benefits	**11**	58
Equity-settled share option expense	**704**	–
Total compensation paid to key management personnel	**4,150**	3,863

Further details of directors' emoluments are included in note 8 to the financial statements.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise convertible bonds, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk and liquidity risk. The Board reviews and agrees policies for managing this risk and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales, purchases or expenditure by operating units in currencies other than the units' functional currencies. The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the exchange rates of the US dollar ("USD"), RMB and Rupiahs ("Rp"), with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in exchange rate	**Increase/ (decrease) in loss before tax**
	%	HK$'000
2009		
If USD weakens against Rp	**10**	**188**
If USD strengthens against Rp	**(10)**	**(188)**
If Hong Kong dollar weakens against RMB	**10**	**70**
If Hong Kong dollar strengthens against RMB	**(10)**	**(70)**
2008		
If Hong Kong dollar weakens against RMB	10	411
If Hong Kong dollar strengthens against RMB	(10)	(411)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of convertible bonds. In addition, banking facilities have been put in place for contingency purposes.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31 March 2009

	Group			
	Within one year or on demand HK$'000	**In the second year HK$'000**	**In the third to fifth years, inclusive HK$'000**	**Total HK$'000**
Trade payables	**817**	**–**	**–**	**817**
Other payables	**5,848**	**–**	**–**	**5,848**
Convertible bonds	**–**	**–**	**616,880**	**616,880**
	6,665	**–**	**616,880**	**623,545**

As at 31 March 2008

	Group			
	Within one year or on demand HK$'000	In the second year HK$'000	In the third to fifth years, inclusive HK$'000	Total HK$'000
Due to an associate	909	–	–	909
Other payables	1,502	–	–	1,502
	2,411	–	–	2,411

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2009

	Company
	In the third to fifth year, inclusive HK$'000
Convertible bonds	616,880

The Company had no financial liabilities at 31 March 2008.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objective policies or processes for managing capital during the years ended 31 March 2009 and 31 March 2008.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management *(continued)*

The Group monitors capital using a gearing ratio, which is total borrowings divided by total capital plus total borrowings. The Group's total borrowings represent convertible bonds. The Group's capital represents the equity attributable to equity holders of the parent.

	Group	
	2009	2008
	HK$'000	HK$'000
Convertible bonds	**523,557**	–
Total borrowings	**523,557**	–
Total capital	**433,868**	57,843
Total capital and borrowings	**957,425**	57,843
Gearing ratio	**54.7%**	Nil

39. FINANCIAL INSTRUMENTS BY CATEGORY

Other than certain investments being classified on financial assets at fair value through profit or loss as disclosed in note 21 to the financial statements, all financial assets and liabilities of the Company and the Group as at 31 March 2008 and 2009 are loans and receivables and financial liabilities stated at amortised cost, respectively.

40. COMPARATIVE AMOUNTS

The comparative income statement has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period (note 11).

41. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 25 June 2009.

five year financial summary

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

RESULTS

	Year ended 31 March				
	2005 HK$'000	2006 HK$'000	2007 HK$'000	2008 HK$'000	**2009** **HK$'000**
Revenue	39,476	39,595	46,099	41,214	**22,672**
PROFIT/(LOSS) BEFORE TAX	2,789	(1,554)	(10,326)	(9,377)	**(47,403)**
Tax	(32)	(149)	–	–	**–**
PROFIT/(LOSS) FOR THE YEAR	2,757	(1,703)	(10,326)	(9,377)	**(47,403)**
Attributable to:					
Equity holders of the parent	2,757	(1,703)	(10,222)	(9,103)	**(47,322)**
Minority interests	–	–	(104)	(274)	**(81)**
	2,757	(1,703)	(10,326)	(9,377)	**(47,403)**

ASSETS, LIABILITIES AND MINORITY INTERESTS

	As at 31 March				
	2005 HK$'000	2006 HK$'000	2007 HK$'000	2008 HK$'000	**2009** **HK$'000**
TOTAL ASSET	19,565	18,485	32,620	67,591	**1,007,319**
TOTAL LIABILITIES	(7,931)	(8,291)	(9,380)	(9,752)	**(531,364)**
	11,634	10,194	23,240	57,839	**475,955**
EQUITY:					
Equity attributable to equity holders of the parent	11,634	10,194	23,291	57,843	**433,868**
Minority interests	–	–	(51)	(4)	**42,087**
	11,634	10,194	23,240	57,839	**475,955**

glossary of terms

GENERAL TERMS

AGM	Annual general meeting
Audit Committee	The audit committee of the Company
B2B Business	e-commerce business
Board	The board of Directors
CCT Tech	CCT Tech International Limited, a company listed on the Main Board of the Stock Exchange and an associated corporation of the Company
CCT Telecom	CCT Telecom Holdings Limited, a company listed on the Main Board of the Stock Exchange and a substantial shareholder of the Company
CEO	The chief executive officer of the Company
Chairman	The chairman of the Company
Code	The Code on Corporate Governance Practices under the GEM Listing Rules
Company	CCT Resources Holdings Limited
Director(s)	The director(s) of the Company
GEM	The Growth Enterprise Market of the Stock Exchange
GEM Listing Rules	The Rules Governing the Listing of Securities on the GEM
Group	The Company and its subsidiaries
HK or Hong Kong	The Hong Kong Special Administrative Region of PRC
HK$	Hong Kong dollar(s), the lawful currency of Hong Kong
Rp	Rupiah, the lawful currency of Indonesia
INED(s)	Independent non-executive director(s)

Manistar	Manistar Enterprises Limited, a substantial shareholder of the Company and a wholly-owned subsidiary of CCT Telecom
MCL	Merdeka Commodities Limited, a substantial shareholder of the Company
MCL Convertible Bonds	The convertible bonds issued by the Company to MCL on 12 August 2008 as part of consideration to acquire the forestry business. The convertible bonds, due on 12 August 2011, are interest-free and convertible into the Shares at the initial conversion price of HK$0.1 per Share (subject to adjustment according to the terms of the convertible bonds)
Manistar Convertible Bonds	The convertible bonds issued by the Company to Manistar on 12 August 2008 to provide funds for the development and operations of the forestry business. The convertible bonds, due on 12 August 2011, are interest-free and convertible into the Shares at the initial conversion price of HK$0.1 per Share (subject to adjustment according to the terms of the convertible bonds)
MTG	Merdeka Timber Group Ltd., a principal subsidiary of the Company
MTG Group	MTG and its subsidiaries
N/A	Not applicable
Percentage Ratios	The assets ratio, the profits ratio, the revenue ratio, the consideration ratio and the equity capital ratio as defined under Rule 19.07 of the GEM Listing Rules
PRC	The People's Republic of China
Remuneration Committee	The remuneration committee of the Company
RMB	Renminbi, the lawful currency of PRC
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	The ordinary share(s) of HK$0.01 each in the share capital of the Company
Shareholder(s)	Holder(s) of the Share(s)
Share Option Scheme	A share option scheme adopted by the Company on 20 February 2002 and became effective on 7 March 2002
Stock Exchange	The Stock Exchange of Hong Kong Limited
US	The United States of America
USD	United States dollar(s), the lawful currency of US
%	Per cent.

FINANCIAL TERMS

Gearing Ratio	Total borrowings (representing bank & other borrowings, convertible notes and finance lease payable) divided by total capital employed (i.e. total Shareholders' fund plus total borrowings)
Loss Per Share	Loss attributable to the Shareholders divided by weighted average number of Shares in issue during the year
Current Ratio	Current assets divided by current liabilities